

Also, a bill (H. R. 844) to pension Martha A. Mason, widow of Charles Mason—to the Committee on Pensions.

Also, a bill (H. R. 845) to pension Synthia Ann Mason, widow of Austin Mason—to the Committee on Pensions.

By Mr. VAN VOORHIS: A bill (H. R. 846) for the relief of the estate of George H. Wells, late of Washington County, Ohio—to the Committee on War Claims.

Also, a bill (H. R. 847) granting an increase of pension to William H. H. Nevitt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 848) granting an honorable discharge to John W. Harris—to the Committee on Military Affairs.

By Mr. WARNER: A bill (H. R. 849) to correct the military record of William C. Keys—to the Committee on Military Affairs.

Also, a bill (H. R. 850) for the relief of John B. Ford—to the Committee on Military Affairs.

Also, a bill (H. R. 851) for the relief of William H. Dotson—to the Committee on Military Affairs.

Also, a bill (H. R. 852) to increase the pension of James Cooper—to the Committee on Invalid Pensions.

Also, a bill (H. R. 853) to increase the pension of Louisa Rose—to the Committee on Invalid Pensions.

Also, a bill (H. R. 854) to increase the pension of John J. McCormick—to the Committee on Invalid Pensions.

By Mr. WADSWORTH: A bill (H. R. 855) for the relief of Mary M. F. Flagler, widow of Daniel W. Flagler, late a brigadier-general, United States Army—to the Committee on Invalid Pensions.

Also, a bill (H. R. 856) for the relief of Mary McCarthy, mother of John E. McCarthy, Sixth Company, First Battalion New York Sharpshooters—to the Committee on Invalid Pensions.

Also, a bill (H. R. 857) for the relief of James Chapman, late surgeon Eighth New York Cavalry, assistant surgeon Ninetieth New York Infantry, and surgeon One hundred and twenty-third New York Infantry—to the Committee on Invalid Pensions.

Also, a bill (H. R. 858) for the relief of Patrick Dougherty, late private, Company A, Thirteenth New York Volunteer Infantry—to the Committee on Military Affairs.

Also, a bill (H. R. 859) for the relief of George J. Campbell—to the Committee on War Claims.

By Mr. YOUNG of Pennsylvania: A bill (H. R. 860) for the relief of William H. Wanamaker—to the Committee on Claims.

By Mr. YOUNG of Virginia (by request): A bill (H. R. 861) for the relief of R. T. Priddy, executor of John D. Priddy, deceased—to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BROMWELL: Memorial of the American Seed Trade Association, in regard to free seed distribution by the Secretary of Agriculture—to the Committee on Agriculture.

Also, memorials of Hecker Post, No. 638, Grand Army of the Republic, of Cincinnati, Ohio; of the Ninth Ohio Volunteer Infantry Association, and of the One hundred and sixth Regiment Ohio Volunteer Infantry, asking for the enactment of a service-pension law—to the Committee on Pensions.

By Mr. BURTON: Petitions of the Ashtabula and Fairport, Ohio, life-saving stations, for a change in rate of wages of surfmen—to the Committee on the Merchant Marine and Fisheries.

By Mr. GREENE of Massachusetts: Petition of the Union League of New Bedford, Mass., urging that lynching be made a criminal offense—to the Committee on the Judiciary.

Also, resolutions of the Fall River (Mass.) Board of Trade, relative to an equitable treaty between the United States and Canada—to the Committee on Interstate and Foreign Commerce.

By Mr. GROSVENOR: Evidence in support of the claim of Aries Butcher for a pension—to the Committee on Invalid Pensions.

Also, evidence in support of the claim of Lewis Black for a pension—to the Committee on Invalid Pensions.

By Mr. KETCHAM: Petition of the common council of the city of Poughkeepsie, N. Y., for the establishment of an international tribunal of arbitration—to the Committee on Foreign Affairs.

By Mr. MCLELLAN: Resolutions adopted at the Thirtieth Annual Reunion of the Society of the Army of the Potomac, held at Pittsburg, Pa., October 11 and 12, 1899; also of the Thirty-third National Encampment of the Grand Army of the Republic on September 6 and 7, 1899, asking for further appropriations for the completion of the National Military Park at Gettysburg, Pa.—to the Committee on Appropriations.

By Mr. MAHON: Evidence in support of the claim of William H. McKinley for a pension—to the Committee on Invalid Pensions.

By Mr. OTJEN: Petition of surfmen and citizens of Milwaukee, Wis., relating to surfmen of the United States Life-Saving Service station at that city—to the Committee on the Merchant Marine and Fisheries.

By Mr. SPRAGUE: Resolutions of the Boston Associated Board

of Trade, for the repeal of the duties on hides—to the Committee on Ways and Means.

Also, resolutions of the Norwood (Mass.) Board of Trade, praying for the establishment of reciprocal trade relations between the United States and the Dominion of Canada—to the Committee on Interstate and Foreign Commerce.

By Mr. THOMAS of North Carolina: Petition of citizens of Craven County, N. C., asking for an appropriation for the improvement of navigation of Swift Creek, Craven County, N. C.—to the Committee on Rivers and Harbors.

By Mr. VAN VOORHIS: Evidence in support of the claim of John W. Harris for an honorable discharge—to the Committee on Military Affairs.

By Mr. WADSWORTH: Petitions of 82 citizens and the surfmen in the Life-Saving Service on the Great Lakes, asking for increase of pay in the Life-Saving Service—to the Committee on the Merchant Marine and Fisheries.

By Mr. YOUNG of Pennsylvania: Petition of the Grand Army of the Republic Association of Philadelphia, for an appropriation for the erection of monuments on the battlefield of Gettysburg—to the Committee on Military Affairs.

Also, petition of C. A. Calhoun and others, of Oklahoma Territory, for his relief—to the Committee on the Public Lands.

Also, petition of J. Edward Buckley, in relation to the American legation at Bogota, South America—to the Committee on Foreign Affairs.

SENATE.

TUESDAY, December 5, 1899.

Prayer by the Chaplain, Rev. W. H. MILBURN, D. D.

Mr. MARION BUTLER, a Senator from the State of North Carolina; Mr. HORACE CHILTON, a Senator from the State of Texas, and Mr. GEORGE W. MCBRIDE, a Senator from the State of Oregon, appeared in their seats to-day.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on motion of Mr. FAIRBANKS, and by unanimous consent, the further reading was dispensed with.

MESSAGE FROM THE HOUSE.

Mr. WILLIAM J. BROWNING, the Chief Clerk of the House of Representatives, appeared below the bar of the Senate and delivered the following message:

Mr. President, I am directed by the House of Representatives to inform the Senate that a quorum of the House of Representatives has assembled; that DAVID B. HENDERSON, a Representative from the State of Iowa, has been elected Speaker; that ALEXANDER McDOWELL, a citizen of the State of Pennsylvania, has been elected Clerk, and that the House is ready to proceed to business.

Also, that a committee of three had been appointed by the Speaker, on the part of the House of Representatives, to join the committee appointed on the part of the Senate to wait on the President of the United States and notify him that a quorum of each of the two Houses had assembled and that Congress was ready to receive any communication he might be pleased to make, and Mr. CANNON of Illinois, Mr. PAYNE of New York, and Mr. RICHARDSON of Tennessee had been appointed such committee on the part of the House.

SENATOR FROM TENNESSEE.

Mr. TURLEY. Mr. President, Mr. Bate, Senator-elect from the State of Tennessee, is present and ready to take the oath of office. His credentials are already on file, and I ask that the oath be administered to him.

The PRESIDENT pro tempore. The Senator-elect will present himself and take the required oath of office.

Mr. Bate was escorted to the Vice-President's desk by Mr. TURLEY; and the oath prescribed by law having been administered to him, he took his seat in the Senate.

NOTIFICATION TO THE PRESIDENT.

Mr. PLATT of Connecticut and Mr. JONES of Arkansas, the committee appointed in conjunction with a similar committee of the House of Representatives to wait upon the President of the United States, appeared at the bar, and

Mr. PLATT of Connecticut said: Mr. President, the committee appointed by the Senate to join with a like committee on the part of the House of Representatives and inform the President that a quorum of each of the two Houses had assembled and that Congress was ready to receive any communication that he might be pleased to make have performed that duty. The President replied that he would communicate at once with the two Houses in writing. He also expressed his satisfaction at the assembling of Congress and his hope that great good might result to the country from its deliberations.

PRESIDENT'S MESSAGE.

At 12 o'clock and 8 minutes p. m., Mr. O. L. PRUDEN, one of the secretaries of the President of the United States, appeared below the bar and said:

Mr. President, I am directed by the President of the United States to deliver to the Senate a message in writing.

The message was received from the secretary and handed to the President pro tempore.

The PRESIDENT pro tempore. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Secretary read the message, as follows:

To the Senate and House of Representatives:

At the threshold of your deliberations you are called to mourn with your countrymen the death of Vice-President Hobart, who passed from this life on the morning of November 21st last. His great soul now rests in eternal peace. His private life was pure and elevated, while his public career was ever distinguished by large capacity, stainless integrity, and exalted motives. He has been removed from the high office which he honored and dignified, but his lofty character, his devotion to duty, his honesty of purpose, and noble virtues remain with us as a priceless legacy and example.

The Fifty-sixth Congress convenes in its first regular session with the country in a condition of unusual prosperity, of universal good will among the people at home, and in relations of peace and friendship with every government of the world. Our foreign commerce has shown great increase in volume and value. The combined imports and exports for the year are the largest ever shown by a single year in all our history. Our exports for 1899 alone exceeded by more than a billion dollars our imports and exports combined in 1870. The imports per capita are 20 per cent less than in 1870, while the exports per capita are 58 per cent more than in 1870, showing the enlarged capacity of the United States to satisfy the wants of its own increasing population, as well as to contribute to those of the peoples of other nations.

Exports of agricultural products were \$784,776,142. Of manufactured products we exported in value \$339,592,146, being larger than any previous year. It is a noteworthy fact that the only years in all our history when the products of our manufactories sold abroad exceeded those bought abroad were 1898 and 1899.

Government receipts from all sources for the fiscal year ended June 30, 1899, including \$11,798,314.14, part payment of the Central Pacific Railroad indebtedness, aggregated \$610,982,004.35. Customs receipts were \$206,128,481.75, and those from internal revenue \$273,437,161.51.

For the fiscal year the expenditures were \$700,093,564.02, leaving a deficit of \$89,111,559.67.

The Secretary of the Treasury estimates that the receipts for the current fiscal year will aggregate \$640,958,112, and upon the basis of present appropriations the expenditures will aggregate \$600,958,112, leaving a surplus of \$40,000,000.

For the fiscal year ended June 30, 1899, the internal-revenue receipts were increased about \$100,000,000.

The present gratifying strength of the Treasury is shown by the fact that on December 1, 1899, the available cash balance was \$278,004,837.72, of which \$239,744,905.36 was in gold coin and bullion. The conditions of confidence which prevail throughout the country have brought gold into more general use and customs receipts are now almost entirely paid in that coin.

The strong position of the Treasury with respect to cash on hand and the favorable showing made by the revenues have made it possible for the Secretary of the Treasury to take action under the provisions of section 3694, Revised Statutes, relating to the sinking fund. Receipts exceeded expenditures for the first five months of the current fiscal year by \$13,413,389.91, and, as mentioned above, the Secretary of the Treasury estimates that there will be a surplus of approximately \$40,000,000 at the end of the year. Under such conditions it was deemed advisable and proper to resume compliance with the provisions of the sinking-fund law, which for eight years has not been done because of deficiencies in the revenues. The Treasury Department therefore offered to purchase during November \$25,000,000 of the 5 per cent loan of 1904, or the 4 per cent funded loan of 1907, at the current market price. The amount offered and purchased during November was \$18,408,600. The premium paid by the Government on such purchases was \$2,263,521 and the net saving in interest was about \$2,835,000. The success of this operation was sufficient to induce the Government to continue the offer to purchase bonds to and including the 23d day of December, instant, unless the remainder of the \$25,000,000 called for should be presented in the meantime for redemption.

Increased activity in industry, with its welcome attendant—a larger employment for labor at higher wages—gives to the body of the people a larger power to absorb the circulating medium. It is further true that year by year, with larger areas of land under cultivation, the increasing volume of agricultural products, cotton,

corn, and wheat, calls for a larger volume of money supply. This is especially noticeable at the crop-harvesting and crop-moving period.

In its earlier history the National Banking Act seemed to prove a reasonable avenue through which needful additions to the circulation could from time to time be made. Changing conditions have apparently rendered it now inoperative to that end. The high margin in bond securities required, resulting from large premiums which Government bonds command in the market, or the tax on note issues, or both operating together, appear to be the influences which impair its public utility.

The attention of Congress is respectfully invited to this important matter with the view of ascertaining whether or not such reasonable modifications can be made in the National Banking Act as will render its service in the particulars here referred to more responsive to the people's needs. I again urge that national banks be authorized to organize with a capital of \$25,000.

I urgently recommend that to support the existing gold standard, and to maintain "the parity in value of the coins of the two metals (gold and silver) and the equal power of every dollar at all times in the market and in the payment of debts," the Secretary of the Treasury be given additional power and charged with the duty to sell United States bonds and to employ such other effective means as may be necessary to these ends. The authority should include the power to sell bonds on long and short time, as conditions may require, and should provide for a rate of interest lower than that fixed by the act of January 14, 1875. While there is now no commercial fright which withdraws gold from the Government, but, on the contrary, such widespread confidence that gold seeks the Treasury demanding paper money in exchange, yet the very situation points to the present as the most fitting time to make adequate provision to insure the continuance of the gold standard and of public confidence in the ability and purpose of the Government to meet all its obligations in the money which the civilized world recognizes as the best. The financial transactions of the Government are conducted upon a gold basis. We receive gold when we sell United States bonds and use gold for their payment. We are maintaining the parity of all the money issued or coined by authority of the Government. We are doing these things with the means at hand. Happily at the present time we are not compelled to resort to loans to supply gold. It has been done in the past, however, and may have to be done in the future. It behooves us, therefore, to provide at once the best means to meet the emergency when it arises, and the best means are those which are the most certain and economical. Those now authorized have the virtue neither of directness nor economy. We have already eliminated one of the causes of our financial plight and embarrassment during the years 1893, 1894, 1895, and 1896. Our receipts now equal our expenditures; deficient revenues no longer create alarm. Let us remove the only remaining cause by conferring the full and necessary power on the Secretary of the Treasury and impose upon him the duty to uphold the present gold standard and preserve the coins of the two metals on a parity with each other, which is the repeatedly declared policy of the United States.

In this connection I repeat my former recommendations that a portion of the gold holdings shall be placed in a trust fund from which greenbacks shall be redeemed upon presentation, but when once redeemed shall not thereafter be paid out except for gold.

The value of an American merchant marine to the extension of our commercial trade and the strengthening of our power upon these seas invites the immediate action of the Congress. Our national development will be one-sided and unsatisfactory so long as the remarkable growth of our inland industries remains unaccompanied by progress on the seas. There is no lack of constitutional authority for legislation which shall give to the country maritime strength commensurate with its industrial achievements and with its rank among the nations of the earth.

The past year has recorded exceptional activity in our shipyards, and the promises of continual prosperity in shipbuilding are abundant. Advanced legislation for the protection of our seamen has been enacted. Our coast trade, under regulations wisely framed at the beginning of the Government and since, shows results for the past fiscal year unequalled in our records or those of any other power. We shall fail to realize our opportunities, however, if we complacently regard only matters at home and blind ourselves to the necessity of securing our share in the valuable carrying trade of the world.

Last year American vessels transported a smaller share of our exports and imports than during any former year in all our history, and the measure of our dependence upon foreign shipping was painfully manifested to our people. Without any choice of our own, but from necessity, the Departments of the Government charged with military and naval operations in the East and West Indies had to obtain from foreign flags merchant vessels essential for those operations.

The other great nations have not hesitated to adopt the required means to develop their shipping as a factor in national defense

and as one of the surest and speediest means of obtaining for their producers a share in foreign markets. Like vigilance and effort on our part can not fail to improve our situation, which is regarded with humiliation at home and with surprise abroad. Even the seeming sacrifices, which at the beginning may be involved, will be offset later by more than equivalent gains.

The expense is as nothing compared to the advantage to be achieved. The reestablishment of our merchant marine involves in a large measure our continued industrial progress and the extension of our commercial triumphs. I am satisfied the judgment of the country favors the policy of aid to our merchant marine, which will broaden our commerce and markets and up-build our sea-carrying capacity for the products of agriculture and manufacture; which, with the increase of our Navy, mean more work and wages to our countrymen, as well as a safeguard to American interests in every part of the world.

Combinations of capital organized into trusts to control the conditions of trade among our citizens, to stifle competition, limit production, and determine the prices of products used and consumed by the people, are justly provoking public discussion, and should early claim the attention of the Congress.

The Industrial Commission, created by the act of the Congress of June 18, 1898, has been engaged in extended hearings upon the disputed questions involved in the subject of combinations in restraint of trade and competition. They have not yet completed their investigation of this subject, and the conclusions and recommendations at which they may arrive are undetermined.

The subject is one giving rise to many divergent views as to the nature and variety of cause and extent of the injuries to the public which may result from large combinations concentrating more or less numerous enterprises and establishments, which previously to the formation of the combination were carried on separately.

It is universally conceded that combinations which engross or control the market of any particular kind of merchandise or commodity necessary to the general community, by suppressing natural and ordinary competition, whereby prices are unduly enhanced to the general consumer, are obnoxious not only to the common law but also to the public welfare. There must be a remedy for the evils involved in such organizations. If the present law can be extended more certainly to control or check these monopolies or trusts, it should be done without delay. Whatever power the Congress possesses over this most important subject should be promptly ascertained and asserted.

President Harrison, in his Annual Message of December 3, 1889, says:

Earnest attention should be given by Congress to a consideration of the question how far the restraint of those combinations of capital commonly called "trusts" is matter of Federal jurisdiction. When organized, as they often are, to crush out all healthy competition and to monopolize the production or sale of an article of commerce and general necessity, they are dangerous conspiracies against the public good, and should be made the subject of prohibitory and even penal legislation.

An act to protect trade and commerce against unlawful restraints and monopolies was passed by Congress on the 2d of July, 1890. The provisions of this statute are comprehensive and stringent. It declares every contract or combination, in the form of a trust or otherwise, or conspiracy in the restraint of trade or commerce among the several States or with foreign nations, to be unlawful. It denominates as a criminal every person who makes any such contract or engages in any such combination or conspiracy, and provides a punishment by fine or imprisonment. It invests the several circuit courts of the United States with jurisdiction to prevent and restrain violations of the act, and makes it the duty of the several United States district attorneys, under the direction of the Attorney-General, to institute proceedings in equity to prevent and restrain such violations. It further confers upon any person who shall be injured in his business or property by any other person or corporation by reason of anything forbidden or declared to be unlawful by the act the power to sue therefor in any circuit court of the United States without respect to the amount in controversy, and to recover threefold the damages by him sustained and the costs of the suit, including reasonable attorney fees. It will be perceived that the act is aimed at every kind of combination in the nature of a trust or monopoly in restraint of interstate or international commerce.

The prosecution by the United States of offenses under the act of 1890 has been frequently resorted to in the Federal courts, and notable efforts in the restraint of interstate commerce, such as the Trans-Missouri Freight Association and the Joint Traffic Association, have been successfully opposed and suppressed.

President Cleveland in his Annual Message of December 7, 1896—more than six years subsequent to the enactment of this law—after stating the evils of these trust combinations, says:

Though Congress has attempted to deal with this matter by legislation, the laws passed for that purpose thus far have proved ineffective, not because of any lack of disposition or attempt to enforce them, but simply because the laws themselves as interpreted by the courts do not reach the difficulty. If the insufficiencies of existing laws can be remedied by further legislation, it should be done. The fact must be recognized, however, that all Federal legis-

lation on this subject may fall short of its purpose because of inherent obstacles, and also because of the complex character of our governmental system, which, while making the Federal authority supreme within its sphere, has carefully limited that sphere by metes and bounds which can not be transgressed. The decision of our highest court on this precise question renders it quite doubtful whether the evils of trusts and monopolies can be adequately treated through Federal action, unless they seek directly and purposely to include in their objects transportation or intercourse between States or between the United States and foreign countries.

It does not follow, however, that this is the limit of the remedy that may be applied. Even though it may be found that Federal authority is not broad enough to fully reach the case, there can be no doubt of the power of the several States to act effectively in the premises, and there should be no reason to doubt their willingness to judiciously exercise such power.

The State legislation to which President Cleveland looked for relief from the evils of trusts has failed to accomplish fully that object. This is probably due to a great extent to the fact that different States take different views as to the proper way to discriminate between evil and injurious combinations and those associations which are beneficial and necessary to the business prosperity of the country. The great diversity of treatment in different States arising from this cause and the intimate relations of all parts of the country to each other without regarding State lines in the conduct of business have made the enforcement of State laws difficult.

It is apparent that uniformity of legislation upon this subject in the several States is much to be desired. It is to be hoped that such uniformity founded in a wise and just discrimination between what is injurious and what is useful and necessary in business operations may be obtained and that means may be found for the Congress within the limitations of its constitutional power so to supplement an effective code of State legislation as to make a complete system of laws throughout the United States adequate to compel a general observance of the salutary rules to which I have referred.

The whole question is so important and far-reaching that I am sure no part of it will be lightly considered, but every phase of it will have the studied deliberation of the Congress, resulting in wise and judicious action.

A review of our relations with foreign States is presented with such recommendations as are deemed appropriate.

The long-pending boundary dispute between the Argentine Republic and Chile was settled in March last by the award of an arbitral commission, on which the United States minister at Buenos Ayres served as umpire.

Progress has been made toward the conclusion of a convention of extradition with the Argentine Republic. Having been advised and consented to by the United States Senate and ratified by Argentina, it only awaits the adjustment of some slight changes in the text before exchange.

In my last Annual Message I adverted to the claim of the Austro-Hungarian Government for indemnity for the killing of certain Austrian and Hungarian subjects by the authorities of the State of Pennsylvania, at Latimer, while suppressing an unlawful tumult of miners, September 10, 1897. In view of the verdict of acquittal rendered by the court before which the sheriff and his deputies were tried for murder, and following the established doctrine that the Government may not be held accountable for injuries suffered by individuals at the hands of the public authorities while acting in the line of duty in suppressing disturbance of the public peace, this Government, after due consideration of the claim advanced by the Austro-Hungarian Government, was constrained to decline liability to indemnify the sufferers.

It is gratifying to be able to announce that the Belgian Government has mitigated the restrictions on the importation of cattle from the United States, to which I referred in my last Annual Message.

Having been invited by Belgium to participate in a congress, held at Brussels, to revise the provisions of the general act of July 2, 1890, for the repression of the African slave trade, to which the United States was a signatory party, this Government preferred not to be represented by a plenipotentiary, but reserved the right of accession to the result. Notable changes were made, those especially concerning this country being in the line of the increased restriction of the deleterious trade in spirituous liquors with the native tribes, which this Government has from the outset urgently advocated. The amended general act will be laid before the Senate, with a view to its advice and consent.

Early in the year the peace of Bolivia was disturbed by a successful insurrection. The United States minister remained at his post, attending to the American interests in that quarter, and using besides his good offices for the protection of the interests of British subjects in the absence of their national representative. On the establishment of the new Government our minister was directed to enter into relations therewith.

General Pando was elected President of Bolivia on October 23. Our representative has been instructed to use all permissible friendly endeavors to induce the Government of Bolivia to amend its marriage laws so as to give legal status to the non-Catholic and civil marriages of aliens within its jurisdiction, and strong hopes are entertained that the Bolivian law in this regard will be brought,

as was that of Peru some years ago, into harmony with the general practice of modern states.

A convention of extradition with Brazil, signed May 14, 1897, has been ratified by the Brazilian Legislature.

During the past summer two national ships of the United States have visited Brazilian ports on a friendly mission and been cordially received. The voyage of the *Wilmington* up the Amazon River gave rise to a passing misunderstanding, owing to confusion in obtaining permission to visit the interior and make surveys in the general interest of navigation, but the incident found a ready adjustment in harmony with the close relations of amity which this Government has always sedulously sought to cultivate with the commonwealths of the Western Continent.

The claim growing out of the seizure of the American-owned newspaper *The Panama Star and Herald* by the authorities of Colombia has been settled, after a controversy of several years, by an agreement assessing at \$30,000 the indemnity to be paid by the Colombian Government, in three installments of \$10,000 each.

The good will of Colombia toward our country has been testified anew by the cordial extension of facilities to the Nicaraguan Canal Commission in their approaching investigation of the Panama Canal and other projected routes across the Isthmus of Darien.

Toward the end of October an insurrectionary disturbance developed in the Colombian Republic. This movement has thus far not attained any decisive result and is still in progress.

Discussion of the questions raised by the action of Denmark in imposing restrictions on the importation of American meats has continued without substantial result in our favor.

The neighboring island Republic of Santo Domingo has lately been the scene of revolution, following a long period of tranquillity. It began with the killing of President Heureaux in July last, and culminated in the relinquishment by the succeeding vice-president of the reins of government to the insurgents. The first act of the provisional government was the calling of a presidential and constituent election. Juan Isidro Jimenez, having been elected President, was inaugurated on the 14th of November. Relations have been entered into with the newly established Government.

The experimental association of Nicaragua, Honduras, and Salvador, under the title of the Greater Republic of Central America, when apparently on the threshold of a complete federal organization by the adoption of a constitution and the formation of a national legislature, was disrupted in the last days of November, 1898, by the withdrawal of Salvador. Thereupon Nicaragua and Honduras abandoned the joint compact, each resuming its former independent sovereignty. This was followed by the reception of Minister Merry by the Republics of Nicaragua and Salvador, while Minister Hunter in turn presented his credentials to the Government of Honduras, thus reverting to the old distribution of the diplomatic agencies of the United States in Central America for which our existing statutes provide. A Nicaraguan envoy has been accredited to the United States.

An insurrectionary movement, under General Reyes, broke out at Bluefields in February last, and for a time exercised actual control in the Mosquito Territory. The *Detroit* was promptly sent thither for the protection of American interests. After a few weeks the Reyes government renounced the conflict, giving place to the restored supremacy of Nicaragua. During the interregnum certain public dues accruing under Nicaraguan law were collected from American merchants by the authorities for the time being in effective administrative control. Upon the titular government regaining power a second payment of these dues was demanded. Controversy arose touching the validity of the original payment of the debt to the *de facto* regent of the territory. An arrangement was effected in April last by the United States minister and the foreign secretary of Nicaragua whereby the amounts of the duplicate payments were deposited with the British consul pending an adjustment of the matter by direct agreement between the Governments of the United States and Nicaragua. The controversy is still unsettled.

The contract of the Maritime Canal Company of Nicaragua was declared forfeited by the Nicaraguan Government on the 10th of October, on the ground of nonfulfillment within the ten years' term stipulated in the contract. The Maritime Canal Company has lodged a protest against this action, alleging rights in the premises which appear worthy of consideration. This Government expects that Nicaragua will afford the protestants a full and fair hearing upon the merits of the case.

The Nicaragua Canal Commission, which had been engaged upon the work of examination and survey for a ship-canal route across Nicaragua, having completed its labors and made its report, was dissolved on May 31, and on June 10 a new commission, known as the Isthmian Canal Commission, was organized under the terms of the act approved March 3, 1899, for the purpose of examining the American Isthmus with a view to determining the most practicable and feasible route for a ship canal across that Isthmus, with its probable cost, and other essential details.

This Commission, under the presidency of Rear-Admiral John G. Walker, U. S. N. (retired), entered promptly upon the work intrusted to it, and is now carrying on examinations in Nicaragua along the route of the Panama Canal, and in Darien from the Atlantic, in the neighborhood of the Atrato River, to the Bay of Panama, on the Pacific side. Good progress has been made, but under the law a comprehensive and complete investigation is called for, which will require much labor and considerable time for its accomplishment. The work will be prosecuted as expeditiously as possible and a report made at the earliest practicable date.

The great importance of this work can not be too often or too strongly pressed upon the attention of the Congress. In my Message of a year ago I expressed my views of the necessity of a canal which would link the two great oceans, to which I again invite your consideration. The reasons then presented for early action are even stronger now.

A pleasing incident in the relations of this Government with that of Chile occurred in the generous assistance given to the war ship *Newark* when in distress in Chilean waters. Not alone in this way has the friendly disposition of Chile found expression. That country has acceded to the convention for the establishment of the Bureau of the American Republics, in which organization every independent State of the continent now shares.

The exchange of ratifications of a convention for the revival of the United States and Chilean Claims Commission and for the adjudication of claims heretofore presented but not determined during the life of the previous Commission has been delayed by reason of the necessity for fresh action by the Chilean Senate upon the amendments attached to the ratification of the treaty by the United States Senate. This formality is soon to be accomplished.

In view of disturbances in the populous provinces of northern China, where are many of our citizens, and of the imminence of disorder near the capital and toward the seaboard, a guard of marines was landed from the *Boston* and stationed during last winter in the legation compound at Peking. With the restoration of order this protection was withdrawn.

The interests of our citizens in that vast Empire have not been neglected during the past year. Adequate protection has been secured for our missionaries and some injuries to their property have been redressed.

American capital has sought and found various opportunities of competing to carry out the internal improvements which the Imperial Government is wisely encouraging, and to develop the natural resources of the Empire. Our trade with China has continued to grow, and our commercial rights under existing treaties have been everywhere maintained during the past year, as they will be in the future.

The extension of the area open to international foreign settlement at Shanghai and the opening of the ports at Nanking, Tsingtao (Kiao chao), and Ta-lien-wan to foreign trade and settlement will doubtless afford American enterprise additional facilities and new fields, of which it will not be slow to take advantage.

In my Message to Congress of December 5, 1898, I urged that the recommendation which had been made to the Speaker of the House of Representatives by the Secretary of the Treasury on the 14th of June, 1898, for an appropriation for a commission to study the commercial and industrial conditions in the Chinese Empire and report as to the opportunities for, and obstacles to, the enlargements of markets in China for the raw products and manufactures of the United States, should receive at your hands the consideration which its importance and timeliness merited, but the Congress failed to take action.

I now renew this recommendation, as the importance of the subject has steadily grown since it was first submitted to you, and no time should be lost in studying for ourselves the resources of this great field for American trade and enterprise.

The death of President Faure in February last called forth those sincere expressions of sympathy which befit the relations of two Republics as closely allied by unbroken historic ties as are the United States and France.

Preparations for the representation of the industries, arts, and products of the United States at the World's Exposition to be held in Paris next year continue on an elaborate and comprehensive scale, thanks to the generous appropriation provided by Congress and to the friendly interest the French Government has shown in furthering a typical exhibit of American progress.

There has been allotted to the United States a considerable addition of space, which, while placing our country in the first rank among exhibitors, does not suffice to meet the increasingly urgent demands of our manufacturers. The efforts of the Commissioner-General are ably directed toward a strictly representative display of all that most characteristically marks American achievement in the inventive arts, and most adequately shows the excellence of our natural productions.

In this age of keen rivalry among nations for mastery in commerce, the doctrine of evolution and the rule of the survival of the fittest must be as inexorable in their operation as they are positive

in the results they bring about. The place won in the struggle by an industrial people can only be held by unrelaxed endeavor and constant advance in achievement. The present extraordinary impetus in every line of American exportation and the astounding increase in the volume and value of our share in the world's markets may not be attributed to accidental conditions.

The reasons are not far to seek. They lie deep in our national character and find expression year by year in every branch of handicraft, in every new device whereby the materials we so abundantly produce are subdued to the artisan's will and made to yield the largest, most practical, and most beneficial return. The American exhibit at Paris should, and I am confident will, be an open volume, whose lessons of skillfully directed endeavor, unfaltering energy, and consummate performance may be read by all on every page, thus spreading abroad a clearer knowledge of the worth of our productions and the justice of our claim to an important place in the marts of the world. To accomplish this by judicious selection, by recognition of paramount merit in whatever walk of trade or manufacture it may appear, and by orderly classification and attractive installation is the task of our Commission.

The United States Government building is approaching completion, and no effort will be spared to make it worthy, in beauty of architectural plan and in completeness of display, to represent our nation. It has been suggested that a permanent building of similar or appropriate design be erected on a convenient site, already given by the municipality, near the Exposition grounds, to serve in commemoration of the part taken by this country in this great enterprise, as an American National Institute, for our countrymen resorting to Paris for study.

I am informed by our Commissioner-General that we shall have in the American sections at Paris over 7,000 exhibitors, from every State in our country, a number ten times as great as those which were represented at Vienna in 1873, six times as many as those in Paris in 1878, and four times as many as those who exhibited in Paris in 1889. This statement does not include the exhibits from either Cuba, Porto Rico, or Hawaii, for which arrangements have been made.

A number of important international congresses on special topics affecting public interests are proposed to be held in Paris next summer in connection with the Exposition. Effort will be made to have the several technical branches of our administration efficiently represented at those conferences, each in its special line, and to procure the largest possible concourse of State representatives, particularly at the Congresses of Public Charity and of Medicine.

Our relations with Germany continue to be most cordial. The increasing intimacy of direct association has been marked during the year by the granting permission in April for the landing on our shores of a cable from Borkum Emden, on the North Sea, by way of the Azores, and also by the conclusion on September 2d of a Parcels Post Convention with the German Empire. In all that promises closer relations of intercourse and commerce and a better understanding between two races having so many traits in common, Germany can be assured of the most cordial cooperation of this Government and people. We may be rivals in many material paths, but our rivalry should be generous and open, ever aiming toward the attainment of larger results and the mutually beneficial advancement of each in the line of its especial adaptabilities.

The several governments of the Empire seem reluctant to admit the natural excellence of our food productions and to accept the evidence we constantly tender of the care with which their purity is guarded by rigid inspection from the farm, through the slaughterhouse and the packing establishments, to the port of shipment. Our system of control over exported food staples invites examination from any quarter and challenges respect by its efficient thoroughness.

It is to be hoped that in time the two Governments will act in common accord toward the realization of their common purpose to safeguard the public health and to insure the purity and wholesomeness of all food products imported by either country from the other. Were the Congress to authorize an invitation to Germany, in connection with the pending reciprocity negotiations, for the constitution of a joint commission of scientific experts and practical men of affairs to conduct a searching investigation of food production and exportation in both countries and report to their respective legislatures for the adoption of such remedial measures as they might recommend for either, the way might be opened for the desirable result indicated.

Efforts to obtain for American life insurance companies a full hearing as to their business operations in Prussia have, after several years of patient representation, happily succeeded, and one of the most important American companies has been granted a concession to continue business in that Kingdom.

I am also glad to announce that the German insurance companies have been readmitted by the superintendent of insurance to do business in the State of New York.

Subsequent to the exchange of our peace treaty with Spain Germany acquired the Caroline Islands by purchase, paying therefor \$5,000,000. Assurances have been received from the German Government that the rights of American missionaries and traders there will be considerably observed.

In my last Annual Message I referred to the pending negotiations with Great Britain in respect to the Dominion of Canada. By means of an executive agreement a Joint High Commission had been created for the purpose of adjusting all unsettled questions between the United States and Canada, embracing twelve subjects, among which were the questions of the fur seals, the fisheries of the coast and contiguous inland waters, the Alaskan boundary, the transit of merchandise in bond, the alien labor laws, mining rights, reciprocity in trade, revision of the agreement respecting naval vessels in the Great Lakes, a more complete marking of parts of the boundary, provision for the conveyance of criminals, and for wrecking and salvage.

Much progress had been made by the Commission toward the adjustment of many of these questions, when it became apparent that an irreconcilable difference of views was entertained respecting the delimitation of the Alaskan boundary. In the failure of an agreement as to the meaning of articles 3 and 4 of the treaty of 1825 between Russia and Great Britain, which defined the boundary between Alaska and Canada, the American Commissioners proposed that the subject of the boundary be laid aside and that the remaining questions of difference be proceeded with, some of which were so far advanced as to assure the probability of a settlement. This being declined by the British Commissioners, an adjournment was taken until the boundary should be adjusted by the two Governments. The subject has been receiving the careful attention which its importance demands, with the result that a *modus vivendi* for provisional demarcations in the region about the head of Lynn Canal has been agreed upon; and it is hoped that the negotiations now in progress between the two Governments will end in an agreement for the establishment and delimitation of a permanent boundary.

Apart from these questions growing out of our relationship with our northern neighbor, the most friendly disposition and ready agreement have marked the discussion of numerous matters arising in the vast and intimate intercourse of the United States with Great Britain.

This Government has maintained an attitude of neutrality in the unfortunate contest between Great Britain and the Boer States of Africa. We have remained faithful to the precept of avoiding entangling alliances as to affairs not of our direct concern. Had circumstances suggested that the parties to the quarrel would have welcomed any kindly expression of the hope of the American people that war might be averted, good offices would have been gladly tendered. The United States representative at Pretoria was early instructed to see that all neutral American interests be respected by the combatants. This has been an easy task in view of the positive declarations of both British and Boer authorities that the personal and property rights of our citizens should be observed.

Upon the withdrawal of the British agent from Pretoria the United States consul was authorized, upon the request of the British Government and with the assent of the South African and Orange Free State Governments, to exercise the customary good offices of a neutral for the care of British interests. In the discharge of this function I am happy to say that abundant opportunity has been afforded to show the impartiality of this Government toward both the combatants.

For the fourth time in the present decade question has arisen with the Government of Italy in regard to the lynching of Italian subjects. The latest of these deplorable events occurred at Tallulah, Louisiana, whereby five unfortunates of Italian origin were taken from jail and hanged.

The authorities of the State and a representative of the Italian Embassy having separately investigated the occurrence, with discrepant results, particularly as to the alleged citizenship of the victims, and it not appearing that the State had been able to discover and punish the violators of the law, an independent investigation has been set on foot, through the agency of the Department of State, and is still in progress. The result will enable the Executive to treat the question with the Government of Italy in a spirit of fairness and justice. A satisfactory solution will doubtless be reached.

The recurrence of these distressing manifestations of blind mob fury directed at dependents or natives of a foreign country suggests that the contingency has arisen for action by Congress in the direction of conferring upon the Federal courts jurisdiction in this class of international cases where the ultimate responsibility of the Federal Government may be involved. The suggestion is not new. In his Annual Message of December 9, 1891, my predecessor, President Harrison, said:

It would, I believe, be entirely competent for Congress to make offenses against the treaty rights of foreigners domiciled in the United States cognizable in the Federal courts. This has not, however, been done, and the Federal

officers and courts have no power in such cases to intervene either for the protection of a foreign citizen or for the punishment of his slayers. It seems to me to follow, in this state of the law, that the officers of the State charged with police and judicial powers in such cases must, in the consideration of international questions growing out of such incidents, be regarded in such sense as Federal agents as to make this Government answerable for their acts in cases where it would be answerable if the United States had used its constitutional power to define and punish crimes against treaty rights.

A bill to provide for the punishment of violations of treaty rights of aliens was introduced in the Senate March 1, 1892, and reported favorably March 30. Having doubtless in view the language of that part of Article III of the treaty of February 26, 1871, between the United States and Italy, which stipulates that "The citizens of each of the high contracting parties shall receive, in the States and Territories of the other, most constant protection and security for their persons and property, and shall enjoy in this respect the same rights and privileges as are or shall be granted to the natives, on their submitting themselves to the conditions imposed upon the natives," the bill so introduced and reported provided that any act committed in any State or Territory of the United States in violation of the rights of a citizen or subject of a foreign country secured to such citizen or subject by treaty between the United States and such foreign country and constituting a crime under the laws of the State or Territory shall constitute a like crime against the United States and be cognizable in the Federal courts. No action was taken by Congress in the matter.

I earnestly recommend that the subject be taken up anew and acted upon during the present session. The necessity for some such provision abundantly appears. Precedent for constituting a Federal jurisdiction in criminal cases where aliens are sufferers is rationally deducible from the existing statute, which gives to the district and circuit courts of the United States jurisdiction of civil suits brought by aliens where the amount involved exceeds a certain sum. If such jealous solicitude be shown for alien rights in cases of merely civil and pecuniary import, how much greater should be the public duty to take cognizance of matters affecting the life and the rights of aliens under the settled principles of international law no less than under treaty stipulation, in cases of such transcendent wrongdoing as mob murder, especially when experience has shown that local justice is too often helpless to punish the offenders.

After many years of endeavor on the part of this Government to that end the Italian Government has consented to enter into negotiations for a naturalization convention, having for one of its objects the regulation of the status of Italians (except those of an age for active military service) who, having been naturalized in the United States, may revisit Italy. It is hoped that with the mutually conciliatory spirit displayed a successful conclusion will be reached.

The treaty of commerce and navigation between the United States and Japan on November 23, 1894, took effect in accordance with the terms of its XIXth Article on the 17th of July last, simultaneously with the enforcement of like treaties with the other powers, except France, whose convention did not go into operation until August 4th, the United States being, however, granted up to that date all the privileges and rights accorded to French citizens under the old French treaty. By this notable conventional reform Japan's position as a fully independent sovereign power is assured, control being gained of taxation, customs revenues, judicial administration, coasting trade, and all other domestic functions of government, and foreign extraterritorial rights being renounced.

Comprehensive codes of civil and criminal procedure according to western methods, public instruction, patents and copyrights, municipal administration, including jurisdiction over the former foreign settlements, customs tariffs and procedure, public health, and other administrative measures have been proclaimed. The working of the new system has given rise to no material complaints on the part of the American citizens or interests, a circumstance which attests the ripe consideration with which the change has been prepared.

Valuable assistance was rendered by the Japanese authorities to the United States transport ship *Morgan City* while stranded at Kobe. Permission has been granted to land and pasture army horses at Japanese ports of call on the way to the Philippine Islands. These kindly evidences of good will are highly appreciated.

The Japanese Government has shown a lively interest in the proposition of the Pacific Cable Company to add to its projected cable lines to Hawaii, Guam, and the Philippines a branch connection with the coast of Japan. It would be a gratifying consummation were the utility of the contemplated scheme enhanced by bringing Japan and the United States into direct telegraphic relation.

Without repeating the observations of my special Message of February 10, 1899, concerning the necessity of a cable to Manila, I respectfully invite attention to it.

I recommend that, in case the Congress should not take measures to bring about this result by direct action of the Government, the Postmaster-General be authorized to invite competitive bids for the establishment of a cable; the company making the best responsible bid to be awarded the contract; the successful company to give ample bonds to insure the completion of the work within a reasonable time.

The year has been marked by constant increase in the intimacy of our relations with Mexico and in the magnitude of mutually advantageous interchanges. This Government has omitted no opportunity to show its strong desire to develop and perpetuate the ties of cordiality now so long happily unbroken.

Following the termination on January 20, 1899, by Mexico of the convention of extradition of December 11, 1861, a new treaty more in accordance with the ascertained needs of both countries was signed February 22, 1899, and exchanged in the City of Mexico on the 22d of April last. Its operation thus far has been effective and satisfactory. A recent case has served to test the application of its IVth Article, which provides that neither party shall be bound to deliver up its own citizens, but that the executive authority of each shall have the power to deliver them up if in its discretion it be deemed proper to do so.

The extradition of Mrs. Mattie Rich, a citizen of the United States, charged with homicide committed in Mexico, was after mature consideration directed by me in the conviction that the ends of justice would be thereby subserved. Similar action, on appropriate occasion, by the Mexican Executive will not only tend to accomplish the desire of both Governments that grave crimes go not unpunished, but also to repress lawlessness along the border of the two countries. The new treaty stipulates that neither Government shall assume jurisdiction in the punishment of crimes committed exclusively within the territory of the other. This will obviate in future the embarrassing controversies which have heretofore arisen through Mexico's assertion of a claim to try and punish an American citizen for an offense committed within the jurisdiction of the United States.

The International Water Boundary Commission, organized by the convention of March 1, 1889, for the adjustment of questions affecting the Rio Grande frontier, has not yet completed its labors. A further extension of its term for one year, until December 24, 1899, was effected by a convention signed December 2, 1898, and exchanged and proclaimed in February last.

An invitation extended to the President of Mexico to visit Chicago in October, on the occasion of laying the corner stone of the United States Government building in that city, was cordially accepted by him, with the necessary consent of the Mexican Congress, but the illness of a member of his family prevented his attendance. The Minister of Foreign Relations, however, came as the personal representative of President Diaz, and in that high character was duly honored.

Claims growing out of the seizure of American sealing vessels in Bering Sea have been under discussion with the Government of Russia for several years, with the recent happy result of an agreement to submit them to the decision of a single arbitrator. By this act Russia affords proof of her adherence to the beneficent principle of arbitration which her plenipotentiaries conspicuously favored at The Hague Disarmament Conference when it was advocated by the representatives of the United States.

A suggestion for a permanent exposition of our products and manufactures in Russia, although not yet fully shaped, has been so cordially welcomed by the Imperial Government that it may not inaptly take a fitting place in whatever legislation the Congress may adopt looking to enlargement of our commercial opportunities abroad.

Important events have occurred in the Samoan Islands. The election, according to the laws and customs of Samoa, of a successor to the late King, Malietoa Laupepa, developed a contest as to the validity of the result, which issue, by the terms of the General Act, was to be decided by the Chief Justice. Upon his rendering a judgment in favor of Malietoa Tannu, the rival chief, Mataafa, took up arms. The active intervention of American and British war ships became imperative to restore order, at the cost of sanguinary encounters. In this emergency a joint commission of representatives of the United States, Germany, and Great Britain was sent to Samoa to investigate the situation and provide a temporary remedy. By its active efforts a peaceful solution was reached for the time being, the kingship being abolished and a provisional government established. Recommendations unanimously made by the commission for a permanent adjustment of the Samoan question were taken under consideration by the three powers parties to the General Act. But the more they were examined the more evident it became that a radical change was necessary in the relations of the powers to Samoa.

The inconveniences and possible perils of the tripartite scheme of supervision and control in the Samoan group by powers having little interest in common in that quarter beyond commercial rivalry had been once more emphasized by the recent events. The

suggested remedy of the Joint Commission, like the scheme it aimed to replace, amounted to what has been styled a *tridominium*, being the exercise of the functions of sovereignty by an unanimous agreement of three powers. The situation had become far more intricate and embarrassing from every point of view than it was when my predecessor, in 1894, summed up its perplexities and condemned the participation in it of the United States.

The arrangement under which Samoa was administered had proved impracticable and unacceptable to all the powers concerned. To withdraw from the agreement and abandon the islands to Germany and Great Britain would not be compatible with our interests in the archipelago. To relinquish our rights in the harbor of Pago Pago, the best anchorage in the Pacific, the occupancy of which had been leased to the United States in 1878 by the first foreign treaty ever concluded by Samoa, was not to be thought of either as regards the needs of our Navy or the interests of our growing commerce with the East. We could not have considered any proposition for the abrogation of the tripartite control which did not confirm us in all our rights and safeguard all our national interests in the islands.

Our views commended themselves to the other powers. A satisfactory arrangement was concluded between the Governments of Germany and of England, by virtue of which England retired from Samoa in view of compensations in other directions, and both powers renounced in favor of the United States all their rights and claims over and in respect to that portion of the group lying to the east of the one hundred and seventy-first degree of west longitude, embracing the islands of Tutuila, Ofoe, Olosenga, and Manua. I transmit to the Senate, for its constitutional action thereon, a convention, which besides the provisions above mentioned also guarantees us the same privileges and conditions in respect to commerce and commercial vessels in all of the islands of Samoa as those possessed by Germany.

Claims have been preferred by white residents of Samoa on account of injuries alleged to have been suffered through the acts of the treaty Governments in putting down the late disturbances. A convention has been made between the three powers for the investigation and settlement of these claims by a neutral arbitrator, to which the attention of the Senate will be invited.

My Annual Message of last year was necessarily devoted in great part to a consideration of the Spanish war and of the results it wrought and the conditions it imposed for the future. I am gratified to announce that the treaty of peace has restored friendly relations between the two powers. Effect has been given to its most important provisions. The evacuation of Porto Rico having already been accomplished on the 18th of October, 1898, nothing remained necessary there but to continue the provisional military control of the island until the Congress should enact a suitable government for the ceded territory. Of the character and scope of the measures to that end I shall treat in another part of this Message.

The withdrawal of the authority of Spain from the island of Cuba was effected by the 1st of January, so that the full re-establishment of peace found the relinquished territory held by us in trust for the inhabitants, maintaining, under the direction of the Executive, such government and control therein as should conserve public order, restore the productive conditions of peace so long disturbed by the instability and disorder which prevailed for the greater part of the preceding three decades, and build up that tranquil development of the domestic state whereby alone can be realized the high purpose, as proclaimed in the joint resolution adopted by the Congress on the 19th of April, 1898, by which the United States disclaimed any disposition or intention to exercise sovereignty, jurisdiction, or control over Cuba, except for the pacification thereof, and asserted its determination when that was accomplished to leave the government and control of the island to its people. The pledge contained in this resolution is of the highest honorable obligation and must be sacredly kept.

I believe that substantial progress has been made in this direction. All the administrative measures adopted in Cuba have aimed to fit it for a regenerated existence by enforcing the supremacy of law and justice; by placing wherever practicable the machinery of administration in the hands of the inhabitants; by instituting needed sanitary reforms; by spreading education; by fostering industry and trade; by inculcating public morality, and, in short, by taking every rational step to aid the Cuban people to attain to that plane of self-conscious respect and self-reliant unity which fits an enlightened community for self-government within its own sphere, while enabling it to fulfill all outward obligations.

This nation has assumed before the world a grave responsibility for the future good government of Cuba. We have accepted a trust the fulfillment of which calls for the sternest integrity of purpose and the exercise of the highest wisdom. The new Cuba yet to arise from the ashes of the past must needs be bound to us by ties of singular intimacy and strength if its enduring welfare is to be assured. Whether those ties shall be organic or conventional, the destinies of Cuba are in some rightful form and man-

ner irrevocably linked with our own, but how and how far is for the future to determine in the ripeness of events. Whatever be the outcome, we must see to it that free Cuba be a reality, not a name; a perfect entity, not a hasty experiment bearing within itself the elements of failure. Our mission, to accomplish which we took up the wager of battle, is not to be fulfilled by turning adrift any loosely framed commonwealth to face the vicissitudes which too often attend weaker states whose natural wealth and abundant resources are offset by the incongruities of their political organization and the recurring occasions for internal rivalries to sap their strength and dissipate their energies. The greatest blessing which can come to Cuba is the restoration of her agricultural and industrial prosperity, which will give employment to idle men and reestablish the pursuits of peace. This is her chief and immediate need.

On the 19th of August last an order was made for the taking of the census in the island, to be completed on the 30th of November. By the treaty of peace the Spanish people on the island have until April 11, 1900, to elect whether they will remain citizens of Spain or become citizens of Cuba. Until then it can not be definitely ascertained who shall be entitled to participate in the formation of the government of Cuba. By that time the results of the census will have been tabulated and we shall proceed to provide for elections which will commit the municipal governments of the island to the officers elected by the people. The experience thus acquired will prove of great value in the formation of a representative convention of the people to draft a constitution and establish a general system of independent government for the island. In the meantime and so long as we exercise control over the island the products of Cuba should have a market in the United States on as good terms and with as favorable rates of duty as are given to the West India Islands under treaties of reciprocity which shall be made.

For the relief of the distressed in the island of Cuba the War Department has issued supplies to destitute persons through the officers of the Army, which have amounted to 5,493,000 rations, at a cost of \$1,417,554.07.

To promote the disarmament of the Cuban volunteer army, and in the interest of public peace and the welfare of the people, the sum of \$75 was paid to each Cuban soldier borne upon the authenticated rolls, on condition that he should deposit his arms with the authorities designated by the United States. The sum thus disbursed aggregated \$2,547,750, which was paid from the emergency fund provided by the act of January 5, 1899, for that purpose.

Out of the Cuban island revenues during the six months ending June 30, 1899, \$1,712,014.20 was expended for sanitation, \$293,881.70 for charities and hospitals, and \$88,944.03 for aid to the destitute.

Following the exchange of ratifications of the treaty of peace the two Governments accredited ministers to each other, Spain sending to Washington the Duke of Arcos, an eminent diplomatist, previously stationed in Mexico, while the United States transferred to Madrid Hon. Bellamy Storer, its minister at Brussels. This was followed by the respective appointment of consuls, thereby fully resuming the relations interrupted by the war. In addition to its consular representation in the United States, the Spanish Government has appointed consuls for Cuba, who have been provisionally recognized during the military administration of the affairs of that island.

Judicial intercourse between the courts of Cuba and Porto Rico and of Spain has been established, as provided by the treaty of peace. The Cuban political prisoners in Spanish penal stations have been and are being released and returned to their homes, in accordance with Article VI of the treaty. Negotiations are about to be had for defining the conventional relations between the two countries, which fell into abeyance by reason of the war. I trust that these will include a favorable arrangement for commercial reciprocity under the terms of sections 3 and 4 of the current tariff act. In these, as in all matters of international concern, no effort will be spared to respond to the good disposition of Spain, and to cultivate in all practicable ways the intimacy which should prevail between two nations whose past history has so often and in so many ways been marked by sincere friendship and by community of interests.

I would recommend appropriate legislation in order to carry into execution Article VII of the Treaty of Peace with Spain, by which the United States assured the payment of certain claims for indemnity of its citizens against Spain.

The United States minister to Turkey continues, under instructions, to press for a money payment in satisfaction of the just claims for injuries suffered by American citizens in the disorders of several years past and for wrongs done to them by the Ottoman authorities. Some of these claims are of many years' standing. This Government is hopeful of a general agreement in this regard.

In the Turkish Empire the situation of our citizens remains unsatisfactory. Our efforts during nearly forty years to bring about a convention of naturalization seem to be on the brink of

final failure through the announced policy of the Ottoman Porte to refuse recognition of the alien status of native Turkish subjects naturalized abroad since 1867. Our statutes do not allow this Government to admit any distinction between the treatment of native and naturalized Americans abroad, so that ceaseless controversy arises in cases where persons owing in the eye of international law a dual allegiance are prevented from entering Turkey or are expelled after entrance. Our law in this regard contrasts with that of the European States. The British act, for instance, does not claim effect for the naturalization of an alien in the event of his return to his native country, unless the change be recognized by the law of that country or stipulated by treaty between it and the naturalizing State.

The arbitrary treatment, in some instances, of American productions in Turkey has attracted attention of late, notably in regard to our flour. Large shipments by the recently opened direct steamship line to Turkish ports have been denied entrance on the score that, although of standard composition and unquestioned purity, the flour was pernicious to health because of deficient "elasticity," as indicated by antiquated and untrustworthy tests. Upon due protest by the American minister, and it appearing that the act was a virtual discrimination against our product, the shipments in question were admitted. In these, as in all instances, wherever occurring, when American products may be subjected in a foreign country, upon specious pretexts, to discrimination compared with the like products of another country, this Government will use its earnest efforts to secure fair and equal treatment for its citizens and their goods. Failing this, it will not hesitate to apply whatever corrective may be provided by the statutes.

The International Commission of Arbitration, appointed under the Anglo-Venezuelan treaty of 1897, rendered an award on October 3d last, whereby the boundary line between Venezuela and British Guiana is determined, thus ending a controversy which has existed for the greater part of the century. The award, as to which the arbitrators were unanimous, while not meeting the extreme contention of either party, gives to Great Britain a large share of the interior territory in dispute and to Venezuela the entire mouth of the Orinoco, including Barima Point and the Caribbean littoral for some distance to the eastward. The decision appears to be equally satisfactory to both parties.

Venezuela has once more undergone a revolution. The insurgents, under General Castro, after a sanguinary engagement in which they suffered much loss, rallied in the mountainous interior and advanced toward the capital. The bulk of the army having sided with the movement, President Andrade quitted Caracas, where General Castro set up a provisional government with which our minister and the representatives of other powers entered into diplomatic relations on the 20th of November, 1899.

The fourth section of the Tariff Act approved July 24th, 1897, appears to provide only for commercial treaties which should be entered into by the President and also ratified by the Senate within two years from its passage. Owing to delays inevitable in negotiations of this nature, none of the treaties initiated under that section could be concluded in time for ratification by the Senate prior to its adjournment on the 4th of March last. Some of the pending negotiations, however, were near conclusion at that time, and the resulting conventions have since been signed by the plenipotentiaries. Others, within both the third and fourth sections of the act, are still under consideration. Acting under the constitutional power of the Executive in respect to treaties, I have deemed it my duty, while observing the limitations of concession provided by the fourth section, to bring to a conclusion all pending negotiations, and submit them to the Senate for its advice and consent.

Conventions of reciprocity have been signed during the Congressional recess with Great Britain for the respective colonies of British Guiana, Barbados, Bermuda, Jamaica, and Turks and Caicos islands, and with the Republic of Nicaragua.

Important reciprocal conventions have also been concluded with France and with the Argentine Republic.

In my last Annual Message the progress noted in the work of the diplomatic and consular officers in collecting information as to the industries and commerce of other countries, and in the care and promptitude with which their reports are printed and distributed, has continued during the past year, with increasingly valuable results in suggesting new sources of demand for American products and in pointing out the obstacles still to be overcome in facilitating the remarkable expansion of our foreign trade. It will doubtless be gratifying to Congress to learn that the various agencies of the Department of State are co-operating in these endeavors with a zeal and effectiveness which are not only receiving the cordial recognition of our business interests, but are exciting the emulation of other governments. In any rearrangement of the great and complicated work of obtaining official data of an economic character which Congress may undertake it is most important, in my judgment, that the results already secured by the efforts of the Department of State should be care-

fully considered with a view to a judicious development and increased utility to our export trade.

The interest taken by the various States forming the International Union of American Republics in the work of its organic bureau is evidenced by the fact that for the first time since its creation in 1890 all the republics of South and Central America are now represented in it.

The unanimous recommendation of the International American Conference, providing for the International Union of American Republics, stated that it should continue in force during a term of ten years from the date of its organization, and no country becoming a member of the union should cease to be a member until the end of said period of ten years, and unless twelve months before the expiration of said period a majority of the members of the union had given to the Secretary of State of the United States official notice of their wish to terminate the union at the end of its first period, that the union should continue to be maintained for another period of ten years, and thereafter, under the same conditions, for successive periods of ten years each.

The period for notification expired on July 14, 1899, without any of the members having given the necessary notice of withdrawal. Its maintenance is therefore assured for the next ten years. In view of this fact and of the numerous questions of general interest and common benefit to all of the republics of America, some of which were considered by the first International American Conference, but not finally settled, and others which have since then grown to importance, it would seem expedient that the various Republics constituting the Union should be invited to hold at an early date another conference in the capital of one of the countries other than the United States, which has already enjoyed this honor.

The purely international character of the work being done by the Bureau and the appreciation of its value are further emphasized by the active cooperation which the various governments of the Latin-American Republics and their diplomatic representatives in this capital are now exhibiting and the zealous endeavors they are making to extend its field of usefulness, to promote through it commercial intercourse, and strengthen the bonds of amity and confidence between its various members and the nations of this continent.

The act to encourage the holding of the Pan-American Exposition on the Niagara frontier, within the county of Erie or Niagara, in the State of New York, in the year 1901, was approved on March 3, 1899.

This Exposition, which will be held in the city of Buffalo, in the near vicinity of the great Niagara cataract, and within a day's journey of which reside 40,000,000 of our people, will be confined entirely to the Western Hemisphere. Satisfactory assurances have already been given by the diplomatic representatives of Great Britain, Mexico, the Central and South American republics, and most of the States of the United States that these countries and States will make an unique, interesting, and instructive exhibit, peculiarly illustrative of their material progress during the century which is about to close.

The law provides an appropriation of \$500,000 for the purpose of making an exhibit at the Exposition by the Government of the United States from its Executive Departments and from the Smithsonian Institution and National Museum, the United States Commission of Fish and Fisheries, the Department of Labor, and the Bureau of the American Republics. To secure a complete and harmonious arrangement of this Government exhibit a board of management has already been created, and charged with the selection, purchase, preparation, transportation, arrangement, and safe-keeping of the articles and materials to be exhibited. This board has been organized and has already entered upon the performance of its duties, as provided for by the law.

I have every reason to hope and believe that this Exposition will tend more firmly to cement the cordial relations between the nations on this continent.

In accordance with an act of Congress approved December 21, 1898, and under the auspices of the Philadelphia Commercial Museum, a most interesting and valuable exposition of products and manufactures especially adapted to export trade was held in Philadelphia from the 14th of September to the 1st of December, 1899. The representative character of the exhibits and the widespread interest manifested in the special objects of the undertaking afford renewed encouragement to those who look confidently to the steady growth of our enlarged exportation of manufactured goods, which has been the most remarkable fact in the economic development of the United States in recent years. A feature of this exposition which is likely to become of permanent and increasing utility to our industries is the collection of samples of merchandise produced in various countries with special reference to particular markets, providing practical object lessons to United States manufacturers as to qualities, styles, and prices of goods such as meet the special demands of consumers and may be exported with advantage.

In connection with the Exposition an International Commercial

Congress was held, upon the invitation of the Philadelphia Commercial Museum, transmitted by the Department of State to the various foreign governments, for an exchange of information and opinions with the view to the promotion of international trade. This invitation met with general and cordial acceptance, and the Congress, which began its sessions at the Exposition on the 13th of October, proved to be of great practical importance, from the fact that it developed a general recognition of the interdependence of nations in trade and a most gratifying spirit of accommodation with reference to the gradual removal of existing impediments to reciprocal relations, without injury to the industrial interests of either party.

In response to the invitation of His Majesty the Emperor of Russia, delegates from 26 countries were assembled at The Hague on the 18th of May, as members of a conference in the interest of peace. The commission from the United States consisted of the Hon. Andrew D. White, the Hon. Seth Low, the Hon. Stanford Newell, Capt. Alfred T. Mahan, of the United States Navy, Capt. William Crozier, of the United States Army, and the Hon. Frederick W. Holls, secretary. The occasion seemed to be opportune for the serious consideration of a plan for the pacific adjustment of international differences, a subject in which the American people have been deeply interested for many years, and a definite project for a permanent international tribunal was included in the instructions to the delegates of the United States.

The final act of the conference includes conventions upon the amelioration of the laws and customs of war on land, the adaptation to maritime warfare of the principles of the Geneva Convention of 1864, and the extension of judicial methods to international cases. The Convention for the Pacific Settlement of International Conflicts embodies the leading features of the American plan, with such modifications as were rendered necessary by the great diversity of views and interests represented by the delegates. The four titles of the convention provide for the maintenance of general peace, the exercise of good offices and mediation, the formation of commissions of inquiry, and international arbitration.

The mediation provided for by the convention is purely voluntary and advisory, and is intended to avoid any invasion or limitation of the sovereign rights of the adhering states. The commissions of inquiry proposed consist of delegations to be specifically constituted for particular purposes by means of conventions between the contesting parties, having for their object the clear understanding of international differences before resorting to the use of force. The provision for arbitration contemplates the formation of a permanent tribunal before which disputed cases may be brought for settlement by the mutual consent of the litigants in each separate case. The advantages of such a permanent tribunal over impromptu commissions of arbitration are conceived to be the actual existence of a competent court, prepared to administer justice, the greater economy resulting from a well-devised system, and the accumulated judicial skill and experience which such a tribunal would soon possess.

While earnestly promoting the idea of establishing a permanent international tribunal, the delegation of the United States was not unmindful of the inconveniences which might arise from an obtrusive exercise of mediation, and in signing the convention carefully guarded the historic position of the United States by the following declaration:

Nothing contained in this convention shall be so construed as to require the United States of America to depart from its traditional policy of not interfering upon, interfering with, or entangling itself in the political questions or policy or internal administration of any foreign state; nor shall anything contained in the said convention be construed to imply a relinquishment by the United States of America of its traditional attitude toward purely American questions.

Thus interpreted, the Convention for the Pacific Settlement of International Conflicts may be regarded as realizing the earnest desire of great numbers of American citizens, whose deep sense of justice, expressed in numerous resolutions and memorials, has urged them to labor for this noble achievement. The general character of this convention, already signed by the delegates of more than twenty sovereign states, further commends it to the favorable action of the Senate of the United States, whose ratification it still awaits.

Since my last Annual Message, and in obedience to the acts of the Congress of April 23 and 26, 1898, the remaining volunteer force enlisted for the Spanish war, consisting of 34,834 regulars and 110,202 volunteers, with over 5,000 volunteer officers, has been discharged from the military service. Of the volunteers, 667 officers and 14,831 men were serving in the Philippines, and 1,650 of the regulars, who were entitled to be mustered out after the ratification of the treaty of peace. They voluntarily remained at the front until their places could be filled by new troops. They were returned home in the order in which they went to Manila, and are now all of them out of the service and in the ranks of citizenship. I recommend that the Congress provide a special medal of honor for the volunteers, regulars, sailors, and marines on duty in the

Philippines who voluntarily remained in the service after their terms of enlistment had expired.

By the act of March 2, 1899, Congress gave authority to increase the Regular Army to a maximum not exceeding 65,000 enlisted men, and to enlist a force of 35,000 volunteers, to be recruited from the country at large. By virtue of this authority the Regular Army has been increased to the number of 61,999 enlisted men and 2,248 officers, and new volunteer regiments have been organized aggregating 33,050 enlisted men and 1,524 officers. Two of these volunteer regiments are made up of colored men, with colored line officers. The new troops to take the places of those returning from the Philippines have been transported to Manila to the number of 581 officers and 26,322 enlisted men of the Regular Army and 594 officers and 15,388 enlisted men of the new volunteer force, while 504 officers and 14,119 men of the volunteer force are on the ocean en route to Manila.

The force now in Manila consists of 905 officers and 30,578 regulars, and 594 officers and 15,388 of the volunteers, making an aggregate of 1,499 officers and 45,966 men. When the troops now under orders shall reach Manila the force in the archipelago will comprise 2,051 officers and 63,483 men. The muster out of the great volunteer army organized for the Spanish war and the creation of a new army, the transportation from Manila to San Francisco of those entitled to discharge, and the transportation of the new troops to take their places have been a work of great magnitude well and ably done, for which too much credit can not be given the War Department.

During the past year we have reduced our force in Cuba and Porto Rico. In Cuba we now have 334 officers and 10,796 enlisted men; in Porto Rico, 87 officers and 2,855 enlisted men and a battalion of 400 men composed of native Porto Ricans; while stationed throughout the United States are 910 officers and 17,317 men, and in Hawaii 12 officers and 453 enlisted men.

The operations of the Army are fully presented in the report of the Secretary of War. I can not withhold from officers and men the highest commendation for their soldierly conduct in trying situations, their willing sacrifices for their country, and the integrity and ability with which they have performed unusual and difficult duties in our island possessions.

In the organization of the volunteer regiments authorized by the act of March 2, 1899, it was found that no provision had been made for chaplains. This omission was doubtless from inadvertence. I recommend the early authorization for the appointment of one chaplain for each of said regiments. These regiments are now in the Philippines, and it is important that immediate action be had.

In restoring peaceful conditions, orderly rule, and civic progress in Cuba, Porto Rico, and, so far as practicable, in the Philippines, the rehabilitation of the postal service has been an essential and important part of the work. It became necessary to provide mail facilities both for our forces of occupation and for the native population. To meet this requirement has involved a substantial reconstruction. The existing systems were so fragmentary, defective, and inadequate that a new and comprehensive organization had to be created. American trained officials have been assigned to the directing and executive positions, while natives have been chiefly employed in making up the body of the force. In working out this plan the merit rule has been rigorously and faithfully applied.

The appointment of Director-General of Posts of Cuba was given to an expert who had been Chief Post-Office Inspector and Assistant Postmaster-General, and who united large experience with administrative capacity. For the postmastership at Havana the range of skilled and available men was scanned, and the choice fell upon one who had been twenty years in the service as deputy postmaster and postmaster of a large city. This principle governed and determined the selection of the American officials sent not only to Cuba, but to Porto Rico and the Philippines, and they were instructed to apply it so far as practicable in the employment of the natives as minor postmasters and clerks. The postal system in Cuba, though remaining under the general guidance of the Postmaster-General, was made essentially independent. It was felt that it should not be a burden upon the postal service of the United States, and provision was made that any deficit in the postal revenue should be a charge upon the general revenues of the island.

Though Porto Rico and the Philippines hold a different relation to the United States, yet, for convenience of administration, the same principle of an autonomous system has been extended to them. The development of the service in all of the islands has been rapid and successful. It has moved forward on American lines, with free delivery, money order, and registry systems, and has given the people mail facilities far greater and more reliable than any they have ever before enjoyed. It is thus not only a vital agency of industrial, social, and business progress, but an important influence in diffusing a just understanding of the true spirit and character of American administration.

The domestic postal service continues to grow with extraordinary rapidity. The expenditures and the revenues will each exceed \$100,000,000 during the current year. Fortunately, since the revival of prosperous times the revenues have grown much faster than the expenditures, and there is every indication that a short period will witness the obliteration of the annual deficit. In this connection the report of the Postmaster-General embodies a statement of some evils which have grown up outside of the contemplation of law in the treatment of some classes of mail matter which wrongly exercise the privilege of the pound rate, and shows that if this matter had been properly classified and had paid the rate which it should have paid, instead of a postal deficit for the last fiscal year of \$6,610,000, there would have been on one basis a surplus of \$17,637,570, and on another of \$5,733,833. The reform thus suggested, in the opinion of the Postmaster-General, would not only put the postal service at once on a self-sustaining basis, but would permit great and valuable improvements, and I commend the subject to the consideration of the Congress.

The Navy has maintained the spirit and high efficiency which have always characterized that service, and has lost none of the gallantry in heroic action which has signalized its brilliant and glorious past. The Nation has equal pride in its early and later achievements. Its habitual readiness for every emergency has won the confidence and admiration of the country. The people are interested in the continued preparation and prestige of the Navy and will justify liberal appropriations for its maintenance and improvement. The officers have shown peculiar adaptation for the performance of new and delicate duties which our recent war has imposed.

It can not be doubted that Congress will at once make necessary provision for the armor plate for the vessels now under contract and building. Its attention is respectfully called to the report of the Secretary of the Navy, in which the subject is fully presented. I unite in his recommendation that the Congress enact such special legislation as may be necessary to enable the Department to make contracts early in the coming year for armor of the best quality that can be obtained in this country for the *Maine*, *Ohio*, and *Missouri*, and that the provision of the act of March 3, 1899, limiting the price of armor to \$300 per ton be removed.

In the matter of naval construction Italy and Japan, of the great powers, laid down less tonnage in the year 1899 than this country, and Italy alone has less tonnage under construction. I heartily concur in the recommendations for the increase of the Navy, as suggested by the Secretary.

Our future progress and prosperity depend upon our ability to equal, if not surpass, other nations in the enlargement and advance of science, industry, and commerce. To invention we must turn as one of the most powerful aids to the accomplishment of such a result. The attention of the Congress is directed to the report of the Commissioner of Patents, in which will be found valuable suggestions and recommendations.

On the 30th of June, 1899, the pension roll of the United States numbered 991,519. These include the pensioners of the Army and Navy in all our wars. The number added to the rolls during the year was 40,991. The number dropped by reason of death, remarriage, minors by legal limitation, failure to claim within three years, and other causes, was 43,186, and the number of claims disallowed was 107,919. During the year 89,054 pension certificates were issued, of which 37,077 were for new or original pensions. The amount disbursed for army and navy pensions during the year was \$138,335,052.95, which was \$1,651,461.61 less than the sum of the appropriations.

The Grand Army of the Republic at its recent national encampment held in Philadelphia has brought to my attention and to that of the Congress the wisdom and justice of a modification of the third section of the act of June 27, 1890, which provides pensions for the widows of officers and enlisted men who served ninety days or more during the War of the Rebellion and were honorably discharged, provided that such widows are without other means of support than their daily labor and were married to the soldier, sailor, or marine on account of whose service they claim pension prior to the date of the act.

The present holding of the Department is that if the widow's income aside from her daily labor does not exceed in amount what her pension would be, to wit, \$96 per annum, she would be deemed to be without other means of support than her daily labor, and would be entitled to a pension under this act; while if the widow's income independent of the amount received by her as the result of her daily labor exceeds \$96, she would not be pensionable under the act. I am advised by the Commissioner of Pensions that the amount of the income allowed before title to pension would be barred has varied widely under different administrations of the Pension Office, as well as during different periods of the same administration, and has been the cause of just complaint and criticism.

With the approval of the Secretary of the Interior the Commissioner of Pensions recommends that, in order to make the prac-

tice at all times uniform and to do justice to the dependent widow, the amount of income allowed independent of the proceeds of her daily labor should be not less than \$250 per annum, and he urges that the Congress shall so amend the act as to permit the Pension Office to grant pensionable status to widows under the terms of the third section of the act of June 27, 1890, whose income aside from the proceeds of daily labor is not in excess of \$250 per annum. I believe this to be a simple act of justice and heartily recommend it.

The Dawes Commission reports that gratifying progress has been made in its work during the preceding year. The fieldwork of enrollment of four of the nations has been completed. I recommend that Congress at an early day make liberal appropriation for educational purposes in the Indian Territory.

In accordance with the act of Congress approved March 3, 1899, the preliminary work in connection with the Twelfth Census is now fully under way. The officers required for the proper administration of the duties imposed have been selected. The provision for securing a proper enumeration of the population, as well as to secure evidence of the industrial growth of the Nation, is broader and more comprehensive than any similar legislation in the past. The Director advises that every needful effort is being made to push this great work to completion in the time limited by the statute. It is believed that the Twelfth Census will emphasize our remarkable advance in all that pertains to national progress.

Under the authority of the act of Congress approved July 7, 1898, the commission consisting of the Secretary of the Treasury, the Attorney-General, and the Secretary of the Interior has made an agreement of settlement, which has had my approval, of the indebtedness to the Government growing out of the issue of bonds to aid in the construction of the Central Pacific and Western Pacific railroads. The agreement secures to the Government the principal and interest of said bonds, amounting to \$58,812,715.48. There has been paid thereon \$11,762,543.12, which has been covered into the Treasury, and the remainder, payable within ten years, with interest at the rate of 3 per cent per annum, payable semiannually, is secured by the deposit of an equal amount of first-mortgage bonds of the Pacific Railway companies. The amounts paid and secured to be paid to the Government on account of the Pacific Railroad subsidy claims are:

| | |
|---|-----------------|
| Union Pacific, cash | \$58,448,223.75 |
| Kansas Pacific, cash | 6,303,000.00 |
| Central and Western Pacific, cash | 11,798,314.14 |
| Notes, secured | 47,050,172.36 |
| Kansas Pacific—dividends for deficiency due | |
| United States, cash | 821,897.70 |

Making a total of..... 124,421,607.95

The whole indebtedness was about \$139,000,000, more than half of which consisted of accrued interest, for which sum the Government has realized the entire amount less about \$6,000,000 within a period of two years.

On June 30, 1898, there were thirty forest reservations (exclusive of the Afognak Forest and Fish Culture Reserve in Alaska), embracing an estimated area of 40,719,474 acres. During the past year two of the existing forest reserves, the Trabuco Canyon (California) and Black Hills (South Dakota and Wyoming) have been considerably enlarged, the area of the Mount Rainier Reserve, in the State of Washington, has been somewhat reduced, and six additional reserves have been established, namely, the San Francisco Mountains (Arizona), the Black Mesa (Arizona), Lake Tahoe (California), Gallatin (Montana), Gila River (New Mexico), and Fish Lake (Utah), the total estimated area of which is 5,205,775 acres. This makes at the present time a total of thirty-six forest reservations, embracing an estimated area of 46,021,899 acres. This estimated area is the aggregated areas within the boundaries of the reserves. The lands actually reserved are, however, only the vacant public lands therein, and these have been set aside and reserved for sale or settlement in order that they may be of the greatest use to the people.

Protection of the national forests, inaugurated by the Department of the Interior in 1897, has been continued during the past year and much has been accomplished in the way of preventing forest fires and the protection of the timber. There are now large tracts covered by forests which will eventually be reserved and set apart for forest uses. Until that can be done Congress should increase the appropriations for the work of protecting the forests.

The Department of Agriculture is constantly consulting the needs of producers in all the States and Territories. It is introducing seeds and plants of great value and promoting fuller diversification of crops. Grains, grasses, fruits, legumes, and vegetables are imported for all parts of the United States. Under this encouragement the sugar-beet factory multiplies in the North and far West, semitropical plants are sent to the South, and congenial climates are sought for the choice productions of the far east. The hybridizing of fruit trees and grains is conducted in

the search for varieties adapted to exacting conditions. The introduction of tea gardens into the Southern States promises to provide employment for idle hands, as well as to supply the home market with tea. The subject of irrigation where it is of vital importance to the people is being carefully studied, steps are being taken to reclaim injured or abandoned lands, and information for the people along these lines is being printed and distributed.

Markets are being sought and opened up for surplus farm and factory products in Europe and in Asia. The outlook for the education of the young farmer through agricultural college and experiment station, with opportunity given to specialize in the Department of Agriculture, is very promising. The people of Hawaii, Porto Rico, and the Philippine Islands should be helped, by the establishment of experiment stations, to a more scientific knowledge of the production of coffee, india rubber, and other tropical products, for which there is demand in the United States.

There is widespread interest in the improvement of our public highways at the present time, and the Department of Agriculture is co-operating with the people in each locality in making the best possible roads from local material and in experimenting with steel tracks. A more intelligent system of managing the forests of the country is being put in operation and a careful study of the whole forestry problem is being conducted throughout the United States. A very extensive and complete exhibit of the agricultural and horticultural products of the United States is being prepared for the Paris Exposition.

On the 10th of December, 1898, the treaty of peace between the United States and Spain was signed. It provided, among other things, that Spain should cede to the United States the archipelago known as the Philippine Islands, that the United States should pay to Spain the sum of twenty millions of dollars, and that the civil rights and political status of the native inhabitants of the territories thus ceded to the United States should be determined by the Congress. The treaty was ratified by the Senate on the 6th of February, 1899, and by the Government of Spain on the 19th of March following. The ratifications were exchanged on the 11th of April and the treaty publicly proclaimed. On the 2d of March the Congress voted the sum contemplated by the treaty, and the amount was paid over to the Spanish Government on the 1st of May.

In this manner the Philippines came to the United States. The islands were ceded by the Government of Spain, which had been in undisputed possession of them for centuries. They were accepted not merely by our authorized commissioners in Paris, under the direction of the Executive, but by the constitutional and well-considered action of the representatives of the people of the United States in both Houses of Congress. I had every reason to believe, and I still believe, that this transfer of sovereignty was in accordance with the wishes and the aspirations of the great mass of the Filipino people.

From the earliest moment no opportunity was lost of assuring the people of the islands of our ardent desire for their welfare and of the intention of this Government to do everything possible to advance their interests. In my order of the 19th of May, 1898, the commander of the military expedition dispatched to the Philippines was instructed to declare that we came not to make war upon the people of that country, "nor upon any party or faction among them, but to protect them in their homes, in their employments, and in their personal and religious rights." That there should be no doubt as to the paramount authority there, on the 17th of August it was directed that "there must be no joint occupation with the insurgents;" that the United States must preserve the peace and protect persons and property within the territory occupied by their military and naval forces; that the insurgents and all others must recognize the military occupation and authority of the United States. As early as December 4, before the cession, and in anticipation of that event, the commander in Manila was urged to restore peace and tranquillity and to undertake the establishment of a beneficent government, which should afford the fullest security for life and property.

On the 21st of December, after the treaty was signed, the commander of the forces of occupation was instructed "to announce and proclaim in the most public manner that we come, not as invaders and conquerors, but as friends to protect the natives in their homes, in their employments, and in their personal and religious rights." On the same day, while ordering General Otis to see that the peace should be preserved in Iloilo, he was admonished that: "It is most important that there should be no conflict with the insurgents." On the 1st day of January, 1899, urgent orders were reiterated that the kindly intentions of this Government should be in every possible way communicated to the insurgents.

On the 21st of January I announced my intention of dispatching to Manila a commission composed of three gentlemen of the highest character and distinction, thoroughly acquainted with the Orient, who, in association with Admiral Dewey and Major-General

Otis, were instructed "to facilitate the most humane and effective extension of authority throughout the islands, and to secure with the least possible delay the benefits of a wise and generous protection of life and property to the inhabitants." These gentlemen were Dr. Jacob Gould Schurman, president of Cornell University; the Hon. Charles Denby, for many years minister to China, and Prof. Dean C. Worcester, of the University of Michigan, who had made a most careful study of life in the Philippines. While the treaty of peace was under consideration in the Senate these Commissioners set out on their mission of good will and liberation. Their character was a sufficient guaranty of the beneficent purpose with which they went, even if they had not borne the positive instructions of this Government, which made their errand preeminently one of peace and friendship.

But before their arrival at Manila the sinister ambition of a few leaders of the Filipinos had created a situation full of embarrassment for us and most grievous in its consequences to themselves. The clear and impartial preliminary report of the Commissioners, which I transmit herewith, gives so lucid and comprehensive a history of the present insurrectionary movement that the story need not be here repeated. It is enough to say that the claim of the rebel leader that he was promised independence by any officer of the United States in return for his assistance has no foundation in fact and is categorically denied by the very witnesses who were called to prove it. The most the insurgent leader hoped for when he came back to Manila was the liberation of the islands from the Spanish control, which they had been laboring for years without success to throw off.

The prompt accomplishment of this work by the American Army and Navy gave him other ideas and ambitions, and insidious suggestions from various quarters perverted the purposes and intentions with which he had taken up arms. No sooner had our army captured Manila than the Filipino forces began to assume an attitude of suspicion and hostility which the utmost efforts of our officers and troops were unable to disarm or modify. Their kindness and forbearance were taken as a proof of cowardice. The aggressions of the Filipinos continually increased until finally, just before the time set by the Senate of the United States for a vote upon the treaty, an attack, evidently prepared in advance, was made all along the American lines, which resulted in a terribly destructive and sanguinary repulse of the insurgents.

Ten days later an order of the insurgent government was issued to its adherents who had remained in Manila, of which General Otis justly observes that "for barbarous intent it is unequalled in modern times." It directs that at 8 o'clock on the night of the 15th of February the "territorial militia" shall come together in the streets of San Pedro armed with their *bolos*, with guns and ammunition where convenient; that Filipino families only shall be respected; but that all other individuals, of whatever race they may be, shall be exterminated without any compassion, after the extermination of the army of occupation, and adds: "Brothers, we must avenge ourselves on the Americans and exterminate them, that we may take our revenge for the infamies and treacheries which they have committed upon us. Have no compassion upon them; attack with vigor." A copy of this fell by good fortune into the hands of our officers and they were able to take measures to control the rising, which was actually attempted on the night of February 23d, a week later than was originally contemplated. Considerable numbers of armed insurgents entered the city by waterways and swamps and in concert with confederates inside attempted to destroy Manila by fire. They were kept in check during the night and the next day driven out of the city with heavy loss.

This was the unhappy condition of affairs which confronted our Commissioners on their arrival in Manila. They had come with the hope and intention of co-operating with Admiral Dewey and Major-General Otis in establishing peace and order in the archipelago and the largest measure of self-government compatible with the true welfare of the people. What they actually found can best be set forth in their own words:

Deplorable as war is, the one in which we are now engaged was unavoidable by us. We were attacked by a bold, adventurous, and enthusiastic army. No alternative was left to us except ignominious retreat.

It is not to be conceived of that any American would have sanctioned the surrender of Manila to the insurgents. Our obligations to other nations and to the friendly Filipinos and to ourselves and our flag demanded that force should be met by force. Whatever the future of the Philippines may be, there is no course open to us now except the prosecution of the war until the insurgents are reduced to submission. The Commission is of the opinion that there has been no time since the destruction of the Spanish squadron by Admiral Dewey when it was possible to withdraw our forces from the islands either with honor to ourselves or with safety to the inhabitants.

The course thus clearly indicated has been unflinchingly pursued. The rebellion must be put down. Civil government can not be thoroughly established until order is restored. With a devotion and gallantry worthy of its most brilliant history, the Army, ably and loyally assisted by the Navy, has carried on this unwelcome but most righteous campaign with richly deserved success. The noble self-sacrifice with which our soldiers and

sailors whose terms of service had expired refused to avail themselves of their right to return home as long as they were needed at the front forms one of the brightest pages in our annals. Although their operations have been somewhat interrupted and checked by a rainy season of unusual violence and duration, they have gained ground steadily in every direction, and now look forward confidently to a speedy completion of their task.

The unfavorable circumstances connected with an active campaign have not been permitted to interfere with the equally important work of reconstruction. Again I invite your attention to the report of the Commissioners for the interesting and encouraging details of the work already accomplished in the establishment of peace and order and the inauguration of self-governing municipal life in many portions of the archipelago. A notable beginning has been made in the establishment of a government in the island of Negros which is deserving of special consideration. This was the first island to accept American sovereignty. Its people unreservedly proclaimed allegiance to the United States and adopted a constitution looking to the establishment of a popular government. It was impossible to guarantee to the people of Negros that the constitution so adopted should be the ultimate form of government. Such a question, under the treaty with Spain and in accordance with our own Constitution and laws, came exclusively within the jurisdiction of the Congress. The government actually set up by the inhabitants of Negros eventually proved unsatisfactory to the natives themselves. A new system was put into force by order of the Major-General Commanding the Department, of which the following are the most important elements:

It was ordered that the government of the island of Negros should consist of a military governor appointed by the United States military governor of the Philippines, and a civil governor and an advisory council elected by the people. The military governor was authorized to appoint secretaries of the treasury, interior, agriculture, public instruction, an attorney-general, and an auditor. The seat of government was fixed at Bacolod. The military governor exercises the supreme executive power. He is to see that the laws are executed, appoint to office, and fill all vacancies in office not otherwise provided for, and may, with the approval of the military governor of the Philippines, remove any officer from office. The civil governor advises the military governor on all public civil questions and presides over the advisory council. He, in general, performs the duties which are performed by secretaries of state in our own system of government.

The advisory council consists of eight members elected by the people within territorial limits which are defined in the order of the commanding general.

The times and places of holding elections are to be fixed by the military governor of the island of Negros. The qualifications of voters are as follows:

(1) A voter must be a male citizen of the island of Negros. (2) Of the age of 21 years. (3) He shall be able to speak, read, and write the English, Spanish, or Visayan language, or he must own real property worth \$500, or pay a rental on real property of the value of \$1,000. (4) He must have resided in the island not less than one year preceding, and in the district in which he offers to register as a voter not less than three months immediately preceding the time he offers to register. (5) He must register at a time fixed by law before voting. (6) Prior to such registration he shall have paid all taxes due by him to the Government. Provided, that no insane person shall be allowed to register or vote.

The military governor has the right to veto all bills or resolutions adopted by the advisory council, and his veto is final if not disapproved by the military governor of the Philippines.

The advisory council discharges all the ordinary duties of a legislature. The usual duties pertaining to said offices are to be performed by the secretaries of the treasury, interior, agriculture, public instruction, the attorney-general, and the auditor.

The judicial power is vested in three judges, who are to be appointed by the military governor of the island. Inferior courts are to be established.

Free public schools are to be established throughout the populous districts of the island, in which the English language shall be taught, and this subject will receive the careful consideration of the advisory council.

The burden of government must be distributed equally and equitably among the people. The military authorities will collect and receive the customs revenue, and will control postal matters and Philippine inter-island trade and commerce.

The military governor, subject to the approval of the military governor of the Philippines, determines all questions not specifically provided for and which do not come under the jurisdiction of the advisory council.

The authorities of the Sulu Islands have accepted the succession of the United States to the rights of Spain, and our flag floats over that territory. On the 10th of August, 1899, Brig. Gen. J. C. Bates, United States Volunteers, negotiated an agreement with

the Sultan and his principal chiefs, which I transmit herewith. By Article I the sovereignty of the United States over the whole archipelago of Jolo and its dependencies is declared and acknowledged.

The United States flag will be used in the archipelago and its dependencies, on land and sea. Piracy is to be suppressed, and the Sultan agrees to co-operate heartily with the United States authorities to that end and to make every possible effort to arrest and bring to justice all persons engaged in piracy. All trade in domestic products of the archipelago of Jolo when carried on with any part of the Philippine Islands and under the American flag shall be free, unlimited, and undutiable. The United States will give full protection to the Sultan in case any foreign nation should attempt to impose upon him. The United States will not sell the island of Jolo or any other island of the Jolo archipelago to any foreign nation without the consent of the Sultan. Salaries for the Sultan and his associates in the administration of the islands have been agreed upon to the amount of \$760 monthly.

Article X provides that any slave in the archipelago of Jolo shall have the right to purchase freedom by paying to the master the usual market value. The agreement by General Bates was made subject to confirmation by the President and to future modifications by the consent of the parties in interest. I have confirmed said agreement, subject to the action of the Congress, and with the reservation, which I have directed shall be communicated to the Sultan of Jolo, that this agreement is not to be deemed in any way to authorize or give the consent of the United States to the existence of slavery in the Sulu archipelago. I communicate these facts to the Congress for its information and action.

Everything indicates that with the speedy suppression of the Tagalo rebellion life in the archipelago will soon resume its ordinary course under the protection of our sovereignty, and the people of those favored islands will enjoy a prosperity and a freedom which they have never before known. Already hundreds of schools are open and filled with children. Religious freedom is sacredly assured and enjoyed. The courts are dispensing justice. Business is beginning to circulate in its accustomed channels. Manila, whose inhabitants were fleeing to the country a few months ago, is now a populous and thriving mart of commerce. The earnest and unremitting endeavors of the Commission and the Admiral and Major-General Commanding the Department of the Pacific to assure the people of the beneficent intentions of this Government have had their legitimate effect in convincing the great mass of them that peace and safety and prosperity and stable government can only be found in a loyal acceptance of the authority of the United States.

The future government of the Philippines rests with the Congress of the United States. Few graver responsibilities have ever been confided to us. If we accept them in a spirit worthy of our race and our traditions, a great opportunity comes with them. The islands lie under the shelter of our flag. They are ours by every title of law and equity. They can not be abandoned. If we desert them we leave them at once to anarchy and finally to barbarism. We fling them, a golden apple of discord, among the rival powers, no one of which could permit another to seize them unquestioned. Their rich plains and valleys would be the scene of endless strife and bloodshed. The advent of Dewey's fleet in Manila Bay instead of being, as we hope, the dawn of a new day of freedom and progress, will have been the beginning of an era of misery and violence worse than any which has darkened their unhappy past. The suggestion has been made that we could renounce our authority over the islands and, giving them independence, could retain a protectorate over them. This proposition will not be found, I am sure, worthy of your serious attention. Such an arrangement would involve at the outset a cruel breach of faith. It would place the peaceable and loyal majority, who ask nothing better than to accept our authority, at the mercy of the minority of armed insurgents. It would make us responsible for the acts of the insurgent leaders and give us no power to control them. It would charge us with the task of protecting them against each other and defending them against any foreign power with which they chose to quarrel. In short, it would take from the Congress of the United States the power of declaring war and vest that tremendous prerogative in the Tagal leader of the hour.

It does not seem desirable that I should recommend at this time a specific and final form of government for these islands. When peace shall be restored it will be the duty of Congress to construct a plan of government which shall establish and maintain freedom and order and peace in the Philippines. The insurrection is still existing, and when it terminates further information will be required as to the actual condition of affairs before inaugurating a permanent scheme of civil government. The full report of the Commission, now in preparation, will contain information and suggestions which will be of value to Congress, and which I will transmit as soon as it is completed. As long as the insurrection continues the military arm must necessarily be supreme. But

there is no reason why steps should not be taken from time to time to inaugurate governments essentially popular in their form as fast as territory is held and controlled by our troops. To this end I am considering the advisability of the return of the Commission, or such of the members thereof as can be secured, to aid the existing authorities and facilitate this work throughout the islands. I have believed that reconstruction should not begin by the establishment of one central civil government for all the islands, with its seat at Manila, but rather that the work should be commenced by building up from the bottom, first establishing municipal governments and then provincial governments, a central government at last to follow.

Until Congress shall have made known the formal expression of its will I shall use the authority vested in me by the Constitution and the statutes to uphold the sovereignty of the United States in those distant islands as in all other places where our flag rightfully floats. I shall put at the disposal of the Army and Navy all the means which the liberality of Congress and the people have provided to cause this unprovoked and wasteful insurrection to cease. If any orders of mine were required to insure the merciful conduct of military and naval operations, they would not be lacking; but every step of the progress of our troops has been marked by a humanity which has surprised even the misguided insurgents. The truest kindness to them will be a swift and effective defeat of their present leader. The hour of victory will be the hour of clemency and reconstruction.

No effort will be spared to build up the waste places desolated by war and by long years of misgovernment. We shall not wait for the end of strife to begin the beneficent work. We shall continue, as we have begun, to open the schools and the churches, to set the courts in operation, to foster industry and trade and agriculture, and in every way in our power to make these people whom Providence has brought within our jurisdiction feel that it is their liberty and not our power, their welfare and not our gain, we are seeking to enhance. Our flag has never waved over any community but in blessing. I believe the Filipinos will soon recognize the fact that it has not lost its gift of benediction in its world-wide journey to their shores.

Some embarrassment in administration has occurred by reason of the peculiar status which the Hawaiian Islands at present occupy under the joint resolution of annexation approved July 7, 1898. While by that resolution the Republic of Hawaii as an independent nation was extinguished, its separate sovereignty destroyed, and its property and possessions vested in the United States, yet a complete establishment for its government under our system was not effected. While the municipal laws of the islands not enacted for the fulfillment of treaties and not inconsistent with the joint resolution or contrary to the Constitution of the United States or any of its treaties remain in force, yet these laws relate only to the social and internal affairs of the islands, and do not touch many subjects of importance which are of a broader national character. For example, the Hawaiian Republic was divested of all title to the public lands in the islands, and is not only unable to dispose of lands to settlers desiring to take up homestead sites, but is without power to give complete title in cases where lands have been entered upon under lease or other conditions which carry with them the right to the purchaser, lessee, or settler to have a full title granted to him upon compliance with the conditions prescribed by law or by his particular agreement of entry.

Questions of doubt and difficulty have also arisen with reference to the collection of tonnage tax on vessels coming from Hawaiian ports; with reference to the status of Chinese in the islands, their entrance and exit therefrom; as to patents and copyrights; as to the register of vessels under the navigation laws; as to the necessity of holding elections in accordance with the provisions of the Hawaiian statutes for the choice of various officers, and as to several other matters of detail touching the interests both of the island and of the Federal Government.

By the resolution of annexation the President was directed to appoint five commissioners to recommend to Congress such legislation concerning the islands as they should deem necessary or proper. These commissioners were duly appointed and after a careful investigation and study of the system of laws and government prevailing in the islands, and of the conditions existing there, they prepared a bill to provide a government under the title of "The Territory of Hawaii." The report of the Commission, with the bill which they prepared, was transmitted by me to Congress on December 6, 1898, but the bill still awaits final action.

The people of these islands are entitled to the benefits and privileges of our Constitution, but in the absence of any act of Congress providing for Federal courts in the islands, and for a procedure by which appeals, writs of error, and other judicial proceedings necessary for the enforcement of civil rights may be prosecuted, they are powerless to secure their enforcement by the judgment of the courts of the United States. It is manifestly important, therefore,

that an act shall be passed as speedily as possible erecting these islands into a judicial district, providing for the appointment of a judge and other proper officers and methods of procedure in appellate proceedings, and that the government of this newly acquired territory under the Federal Constitution shall be fully defined and provided for.

A necessity for immediate legislative relief exists in the Territory of Alaska. Substantially the only law providing a civil government for this Territory is the act of May 17, 1884. This is meager in its provisions, and is fitted only for the administration of affairs in a country sparsely inhabited by civilized people and unimportant in trade and production, as was Alaska at the time this act was passed. The increase in population by immigration during the past few years, consequent upon the discovery of gold, has produced such a condition as calls for more ample facilities for local self-government and more numerous conveniences of civil and judicial administration. Settlements have grown up in various places, constituting in point of population and business cities of thousands of inhabitants, yet there is no provision of law under which a municipality can be organized or maintained.

In some localities the inhabitants have met together and voluntarily formed a municipal organization for the purpose of local government, adopting the form of a municipal constitution and charter, under which said officials have been appointed; and ordinances creating and regulating a police force, a fire department, a department of health, and making provision for the care of the insane and indigent poor and sick and for public schools, have been passed. These proceedings and the ordinances passed by such municipalities are without statutory authority and have no sanction, except as they are maintained by the popular sentiment of the community. There is an entire absence of authority to provide the ordinary instruments of local police control and administration, the population consisting of the usual percentage of lawless adventurers of the class that always flock to new fields of enterprise or discovery, and under circumstances which require more than ordinary provision for the maintenance of peace, good order, and lawful conduct.

The whole vast area of Alaska comprises but one judicial district, with one judge, one marshal, and one district attorney, yet the civil and criminal business has more than doubled within the past year, and is many times greater both in volume and importance than it was in 1884. The duties of the judge require him to travel thousands of miles to discharge his judicial duties at the various places designated for that purpose. The Territory should be divided into at least two districts, and an additional judge, district attorney, marshal, and other appropriate officers be provided.

There is practically no organized form of government in the Territory. There is no authority, except in Congress, to pass any law, no matter how local or trivial, and the difficulty of conveying to the Congress an adequate conception and understanding of the various needs of the people in the different communities is easily understood. I see no reason why a more complete form of Territorial organization should not be provided. Following the precedent established in the year 1805, when a temporary government was provided for the recently acquired territory, then known under the name of Louisiana, it seems to me that it would be advantageous to confer greater executive power upon the governor and to establish, as was done in the case of the Territory of Louisiana, a legislative council having power to adopt ordinances which shall extend to all the rightful subjects of local legislation, such ordinances not to take effect until reported to and approved by the Congress if in session, and if that body is not in session then by the President. In this manner a system of laws providing for the incorporation and government of towns and cities having a certain population, giving them the power to establish and maintain a system of education to be locally supported, and ordinances providing for police, sanitary, and other such purposes, could be speedily provided. I believe a provision of this kind would be satisfactory to the people of the Territory. It is probable that the area is too vast and the population too scattered and transitory to make it wise at the present time to provide for an elective legislative body, but the conditions calling for local self-government will undoubtedly very soon exist, and will be facilitated by the measures which I have recommended.

I recommend that legislation to the same end be had with reference to the government of Porto Rico. The time is ripe for the adoption of a temporary form of government for this island; and many suggestions made with reference to Alaska are applicable also to Porto Rico.

The system of civil jurisprudence now adopted by the people of this island is described by competent lawyers who are familiar with it, as thoroughly modern and scientific, so far as it relates to matters of internal business, trade, production, and social and private right in general. The cities of the island are governed under charters which probably require very little or no change.

So that with relation to matters of local concern and private right, it is not probable that much, if any, legislation is desirable; but with reference to public administration and the relations of the island to the Federal Government, there are many matters which are of pressing urgency. The same necessity exists for legislation on the part of Congress to establish Federal courts and Federal jurisdiction in the island as has been previously pointed out by me with reference to Hawaii. Besides the administration of justice, there are the subjects of the public lands; the control and improvement of rivers and harbors; the control of the waters or streams not navigable, which, under the Spanish law, belonged to the Crown of Spain, and have by the treaty of cession passed to the United States; the immigration of people from foreign countries; the importation of contract labor; the imposition and collection of internal revenue; the application of the navigation laws; the regulation of the current money; the establishment of post-offices and post-roads; the regulation of tariff rates on merchandise imported from the island into the United States; the establishment of ports of entry and delivery; the regulation of patents and copyrights; these, with various other subjects which rest entirely within the power of the Congress, call for careful consideration and immediate action.

It must be borne in mind that since the cession Porto Rico has been denied the principal markets she had long enjoyed and our tariffs have been continued against her products as when she was under Spanish sovereignty. The markets of Spain are closed to her products except upon terms to which the commerce of all nations is subjected. The island of Cuba, which used to buy her cattle and tobacco without customs duties, now imposes the same duties upon these products as from any other country entering her ports. She has therefore lost her free intercourse with Spain and Cuba without any compensating benefits in this market. Her coffee was little known and not in use by our people, and therefore there was no demand here for this, one of her chief products. The markets of the United States should be opened up to her products. Our plain duty is to abolish all customs tariffs between the United States and Porto Rico and give her products free access to our markets.

As a result of the hurricane which swept over Porto Rico on the 8th of August, 1899, over 100,000 people were reduced to absolute destitution, without homes, and deprived of the necessities of life. To the appeal of the War Department the people of the United States made prompt and generous response. In addition to the private charity of our people, the War Department has expended for the relief of the distressed \$302,342.63, which does not include the cost of transportation.

It is desirable that the government of the island under the law of belligerent right, now maintained through the Executive Department, should be superseded by an administration entirely civil in its nature. For present purposes I recommend that Congress pass a law for the organization of a temporary government, which shall provide for the appointment by the President, subject to confirmation by the Senate, of a governor and such other officers as the general administration of the island may require, and that for legislative purposes upon subjects of a local nature not partaking of a Federal character a legislative council, composed partly of Porto Ricans and partly of citizens of the United States, shall be nominated and appointed by the President, subject to confirmation by the Senate, their acts to be subject to the approval of the Congress or the President prior to going into effect. In the municipalities and other local subdivisions I recommend that the principle of local self-government be applied at once, so as to enable the intelligent citizens of the island to participate in their own government and to learn by practical experience the duties and requirements of a self-contained and self-governing people. I have not thought it wise to commit the entire government of the island to officers selected by the people, because I doubt whether in habits, training, and experience they are such as to fit them to exercise at once so large a degree of self-government; but it is my judgment and expectation that they will soon arrive at an attainment of experience and wisdom and self-control that will justify conferring upon them a much larger participation in the choice of their insular officers.

The fundamental requirement for these people, as for all people, is education. The free schoolhouse is the best preceptor for citizenship. In the introduction of modern educational methods care, however, must be exercised that changes be not made too abruptly and that the history and racial peculiarities of the inhabitants shall be given due weight. Systems of education in these new possessions founded upon common-sense methods, adapted to existing conditions and looking to the future moral and industrial advancement of the people, will commend to them in a peculiarly effective manner the blessings of free government.

The love of law and the sense of obedience and submission to the lawfully constituted judicial tribunals are embedded in the hearts of our people, and any violation of these sentiments and disregard

of their obligations justly arouses public condemnation. The guaranties of life, liberty, and of civil rights should be faithfully upheld; the right of trial by jury respected and defended. The rule of the courts should assure the public of the prompt trial of those charged with criminal offenses, and upon conviction the punishment should be commensurate with the enormity of the crime.

Those who, in disregard of law and the public peace, unwilling to await the judgment of court and jury, constitute themselves judges and executioners should not escape the severest penalties for their crimes.

What I said in my Inaugural Address of March 4, 1897, I now repeat:

The constituted authorities must be cheerfully and vigorously upheld. Lynchings must not be tolerated in a great and civilized country like the United States. Courts, not mobs, must execute the penalties of the laws. The preservation of public order, the right of discussion, the integrity of courts, and the orderly administration of justice must continue forever the rock of safety upon which our Government securely rests.

In accordance with the act of Congress providing for an appropriate national celebration in the year 1900 of the establishment of the seat of Government in the District of Columbia, I have appointed a committee, consisting of the governors of all the States and Territories of the United States, who have been invited to assemble in the city of Washington on the 21st of December, 1899, which, with the committees of the Congress and the District of Columbia, are charged with the proper conduct of this celebration.

Congress at its last session appropriated \$5,000 "to enable the Chief of Engineers of the Army to continue the examination of the subject and to make or secure designs, calculations, and estimates for a memorial bridge from the most convenient point of the Naval Observatory grounds, or adjacent thereto, across the Potomac River to the most convenient point of the Arlington estate property." In accordance with the provisions of this act the Chief of Engineers has selected four eminent bridge engineers to submit competitive designs for a bridge combining the elements of strength and durability and such architectural embellishment and ornamentation as will fitly apply to the dedication, "A memorial to American patriotism." The designs are now being prepared, and as soon as completed will be submitted to the Congress by the Secretary of War. The proposed bridge would be a convenience to all the people from every part of the country who visit the national cemetery, an ornament to the Capital of the Nation, and forever stand as a monument to American patriotism. I do not doubt that Congress will give to the enterprise still further proof of its favor and approval.

The Executive order of May 6, 1896, extending the limits of the classified service, brought within the operation of the civil-service law and rules nearly all of the executive civil service not previously classified.

Some of the inclusions were found wholly illogical and unsuited to the work of the several Departments. The application of the rules to many of the places so included was found to result in friction and embarrassment. After long and very careful consideration it became evident to the heads of the Departments, responsible for their efficiency, that in order to remove these difficulties and promote an efficient and harmonious administration certain amendments were necessary. These amendments were promulgated by me in Executive order dated May 29, 1899.

The principal purpose of the order was to except from competitive examination certain places involving fiduciary responsibilities or duties of a strictly confidential, scientific, or executive character which it was thought might better be filled either by noncompetitive examination, or in the discretion of the appointing officer, than by open competition. These places were comparatively few in number. The order provides for the filling of a much larger number of places, mainly in the outside service of the War Department, by what is known as the registration system, under regulations to be approved by the President, similar to those which have produced such admirable results in the navy-yard service.

All of the amendments had for their main object a more efficient and satisfactory administration of the system of appointments established by the civil-service law. The results attained show that under their operation the public service has improved and that the civil-service system is relieved of many objectionable features which heretofore subjected it to just criticism and the administrative officers to the charge of unbusinesslike methods in the conduct of public affairs. It is believed that the merit system has been greatly strengthened and its permanence assured. It will be my constant aim in the administration of government in our new possessions to make fitness, character, and merit essential to appointment to office, and to give to the capable and deserving inhabitants preference in appointments.

The 14th of December will be the One Hundredth Anniversary of the death of Washington. For a hundred years the Republic has had the priceless advantage of the lofty standard of character

and conduct which he bequeathed to the American people. It is an inheritance which time, instead of wasting, continually increases and enriches. We may justly hope that in the years to come the benignant influence of the Father of his Country may be even more potent for good than in the century which is drawing to a close. I have been glad to learn that in many parts of the country the people will fittingly observe this historic anniversary.

Presented to this Congress are great opportunities. With them come great responsibilities. The power confided to us increases the weight of our obligations to the people, and we must be profoundly sensible of them as we contemplate the new and grave problems which confront us. Aiming only at the public good, we can not err. A right interpretation of the people's will and of duty can not fail to insure wise measures for the welfare of the islands which have come under the authority of the United States, and inure to the common interest and lasting honor of our country. Never has this Nation had more abundant cause than during the past year for thankfulness to God for manifold blessings and mercies, for which we make reverent acknowledgment.

WILLIAM MCKINLEY.

EXECUTIVE MANSION, December 5, 1899.

The PRESIDENT pro tempore. In the absence of objection, the message of the President will be laid upon the table, and the usual number of copies will be ordered to be printed.

DEATH OF SENATOR-ELECT HAYWARD.

Mr. THURSTON. Mr. President, it becomes my painful duty to announce that the Hon. Monroe L. Hayward, Senator-elect from the State of Nebraska for the term commencing March 4, 1899, departed this life at 6 o'clock and 20 minutes this morning, at his home in Nebraska City. On some future and fit occasion it is my purpose to present and ask consideration by the Senate of appropriate memorial resolutions. At the present time I offer the resolutions which I send to the desk, and ask their immediate consideration.

The PRESIDENT pro tempore. The resolutions offered by the Senator from Nebraska will be read.

The Secretary read the resolutions, as follows:

Resolved, That the Senate has heard with deep regret and profound sorrow of the death of Hon. Monroe L. Hayward, lately elected Senator from the State of Nebraska.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

The PRESIDENT pro tempore. The question is on agreeing to the resolutions.

The resolutions were unanimously agreed to; and (at 2 o'clock and 40 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, December 6, 1899, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

TUESDAY, December 5, 1899.

The House met at 12 o'clock noon. Prayer by the Chaplain, Rev. HENRY N. COUDEN, D. D.

REPORT OF COMMITTEE APPOINTED TO WAIT UPON PRESIDENT.

Mr. CANNON. Mr. Speaker, the committee appointed, in connection with a similar committee from the Senate, to wait upon the President and inform him that a quorum of the two Houses are in attendance ready to receive any communication he may be pleased to make, have performed the duty assigned to them, and the President was pleased to say that he would communicate with Congress forthwith in writing.

MESSAGE FROM THE PRESIDENT.

A message in writing from the President of the United States was communicated to the House by Mr. PRUDEN, one of his secretaries.

COMMITTEE ON MILEAGE.

The SPEAKER. The Chair will announce the following as the Committee on Mileage: Mr. BARHAM of California, Mr. REEDER of Kansas, Mr. STEWART of New York, Mr. COOPER of Texas, and Mr. LEWIS of Georgia.

CHANGES OF MEMBERSHIP SINCE LAST SESSION.

The SPEAKER laid before the House the following communication from the Clerk of the House, showing the changes in mem-

bership since last session; which was ordered to be printed in the Journal and RECORD:

CLERK'S OFFICE, HOUSE OF REPRESENTATIVES,
Washington, D. C., December 4, 1899.

SIR: I have the honor to submit the following list of changes since the election of the Fifty-sixth House of Representatives:

| District. | Name. | Date of vacancy. | Name of successor. |
|-------------------------|-----------------------|------------------|-------------------------|
| Seventh Kentucky... | Evan E. Settle*.... | Nov. 16, 1899 | |
| Fifth Louisiana..... | Samuel T. Baird*.... | Apr. 22, 1899 | Joseph E. Ransdell. |
| First Maine..... | Thomas B. Reed†... | Sept. 4, 1899 | Amos L. Allen. |
| Second Maine..... | Nelson Dingley, jr.*. | Jan. 13, 1899 | Charles E. Littlefield. |
| Eighth Missouri..... | Richard P. Bland*... | June 15, 1899 | Dorsey W. Shackelford. |
| Sixth Nebraska..... | William L. Greene*... | Mar. 4, 1899 | William Neville. |
| Thirty-fourth New York. | Warren B. Hooker†... |do..... | E. B. Vreeland. |
| Sixteenth Ohio..... | Lorenzo Danford*... | June 19, 1899 | Joseph J. Gill. |
| Ninth Pennsylvania.. | Daniel Ermentrout*... | Sept. 17, 1899 | Henry D. Green. |

* Died.

† Resigned.

Very respectfully,

A. McDOWELL,

Clerk of the House of Representatives.

Hon. DAVID B. HENDERSON,

Speaker of the House of Representatives.

ELECTION CONTESTS.

The SPEAKER. The Chair also desires to submit to the House the report of the Clerk on contested-election cases. The Chair will assign the first three cases—one, two, and three—to Election Committee No. 1; four, five, and six, to Committee No. 2; seven, eight, and nine, to Committee No. 3; and ten to Committee No. 1. The report will be printed as a public document.

ANNUAL MESSAGE OF THE PRESIDENT.

The SPEAKER laid before the House the annual message of the President; which was read.

[For text of message see proceedings of the Senate of this date.]

On the conclusion of the reading there was loud applause on the Republican side.

Mr. PAYNE. Mr. Speaker, I move that the President's message be referred to the Committee of the Whole House on the state of the Union and printed.

Mr. GROW. Mr. Speaker, I rise to make—

The SPEAKER. The Chair will state the question. The gentleman from New York moves that the President's message be referred to the Committee of the Whole House on the state of the Union and be printed.

Mr. GROW. Before that motion is put, I ask: Is the message itself debatable? If so, I should like to make a few remarks on the most important subject contained in it.

Mr. RICHARDSON. Mr. Speaker, it is almost impossible to hear what the gentlemen are saying, and we would like to have order.

The SPEAKER. The House will be in order. Gentlemen will please resume their seats and preserve order. Does the gentleman from New York yield?

Mr. PAYNE. I yield to the gentleman from Pennsylvania.

Mr. GROW. On a motion to refer, Mr. Speaker, I take it, the message itself would be debatable. If so, I should like to make some remarks on the most important subject of the message.

Mr. PAYNE. Mr. Speaker, I do not suppose that it would be debatable in the House. Of course when we go into Committee of the Whole House on the state of the Union it would be debatable, and I have no doubt an arrangement could be made by which my friend from Pennsylvania could fully address himself to the subject.

Mr. GROW. Very well, I am content.

Mr. GIBSON. I would like to ask the gentleman from New York how many copies would be printed under his motion? I suggest that he specify 20,000 copies.

Mr. PAYNE. There is no provision made for that. That will be considered later.

Mr. RICHARDSON. If the gentleman from New York will yield to me, I will state to my colleague from Tennessee that the law provides that 20,000 copies shall be printed.

The motion to refer was then agreed to.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. PLATT, one of its clerks, announced that the Senate had passed the following resolutions:

Resolved, That the Senate has heard with deep regret and profound sorrow of the death of Hon. Monroe L. Hayward, lately Senator from the State of Nebraska.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn.